

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re:	:	Chapter 11
	:	
1141 REALTY OWNER LLC, <i>et al.</i> ,	:	Case No. 18-12341 (SMB)
	:	
	:	Jointly Administered
Debtors.	:	
	:	

**DECLARATION OF EDWARD R. ESCHMANN IN FURTHER
SUPPORT OF DEBTORS' MOTION FOR ENTRY OF INTERIM AND
FINAL ORDERS AUTHORIZING THE DEBTORS TO OBTAIN POST-PETITION,
PRIMING, SENIOR SECURED, SUPERPRIORITY FINANCING PURSUANT
TO 11 U.S.C. §§ 105, 362, 364(c) AND 364(d), BANKRUPTCY RULE 4001(c)
AND LOCAL BANKRUPTCY RULE 4001-2**

Edward R. Eschmann, MAI, declares as follows pursuant to 28 U.S.C. § 1746:

1. I am a Director of the Valuation and Advisory Hospitality and Gaming Group of CBRE, Inc. ("CBRE") in New York City, where I have been employed since 2000.
2. I have more than thirty-four (34) years' experience of valuation and consulting experience throughout the United States, Puerto Rico and the Americas. I am a designated Member of the Appraisal Institute and Royal Institution of Chartered Surveyors and a Certified General Real Estate Appraiser in the states of New York and New Jersey and have held licenses in other jurisdictions including Connecticut, Vermont, Illinois, Washington, DC and Pennsylvania. I have a Bachelor of Science degree from the University of Massachusetts, Amherst.
3. Since 2006, I have specialized in the hospitality asset class and have been the director of the Tri-State Hospitality Group of CBRE in New York City covering the New York, New Jersey and Connecticut region. Prior assignments include a wide variety of full and partial interest appraisals on property types including urban and suburban luxury, full and limited service boutique independent and franchised hotels, mixed use residential condominium/hotels, corporate

headquarters and conference hotels, suburban and urban office buildings, regional retail malls and outlet centers with hospitality components, and residential apartment and condominiums with hospitality components. Some significant assignments in New York City include The London NYC, Mondrian SOHO, Element Times Square, Bryant Park Hotel, The Lowell and The Edison Times Square, among many others.

4. I submit this declaration (the “Supplemental Declaration”) in further support of the *Debtors’ Motion for Entry of Interim and Final Orders Authorizing the Debtors to Obtain Post-Petition, Priming, Senior Secured, Superpriority Financing Pursuant to 11 U.S.C. §§ 105, 362, 364(c) and 364(d), Bankruptcy Rule 4001(c) and Local Bankruptcy Rule 4001-2* (the “DIP Financing Motion”) [Docket No. 7].

5. Except as otherwise indicated, all statements in this Supplemental Declaration are based upon my personal knowledge or materials supplied by CBRE personnel. Any opinions set forth herein are based on my experience and expertise in appraising hotel properties in New York City. If I were called to testify as a witness in this matter, I would testify to the facts set forth herein.

6. Prior to the Petition Date¹, CBRE was engaged by the Debtors to perform an appraisal (the “Appraisal”) of The Flatiron Hotel (the “Hotel”). I led the engagement and supervised all aspects of the appraisal, which was completed on August 30, 2018. A true and correct copy of the Appraisal is annexed hereto as **Exhibit A**.

7. As described in the Appraisal, as of August 26, 2018, the fee simple interest in the Hotel is valued at \$45,300,000 “as is”. As of August 26, 2019, the fee simple interest in the Hotel is valued at \$52,000,000 “as complete,” that is, when certain capital expenditures and

¹ Capitalized terms not defined herein shall have the meaning ascribed to them in the DIP Financing Motion.

improvements have been made and the Hotel's repositioning in the market has occurred. As of August 26, 2020, the fee simple interest in the Hotel is valued at \$56,000,000 "as stabilized," that is, when the capital expenditures and improvements are complete, and the repositioned Hotel has been absorbed into the market without surges in occupancy rates and has a stable cash flow.

Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury that the foregoing is true and correct to the best of my knowledge, information and belief.

Dated: New York, New York
September 4, 2018

/s/ Edward R. Eschmann
Edward R. Eschmann, MAI
Director, Valuation and Advisory,
Hospitality and Gaming Group
CBRE, Inc.

Exhibit A

APPRAISAL REPORT

FLATIRON HOTEL
9 West 26th Street (aka 1141 Broadway)
New York, New York County, New York 10010
CBRE, Inc. File No. 18-047NY-1832

Tracy L. Klestadt, Esq.

KLESTADT WINTERS JURELLER SOUTHARD &
STEVENS, LLP
200 West 41st Street, 17th Floor,
New York, New York 10036

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CBRE



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VALUATION & ADVISORY SERVICES

August 30, 2018

Tracy L. Klestadt, Esq.

KLESTADT WINTERS JURELLER SOUTHARD & STEVENS, LLP
200 West 41st Street, 17th Floor,
New York, New York 10036

RE: Appraisal of Flatiron Hotel
9 West 26th Street (aka 1141 Broadway)
New York, New York County, New York 10010
CBRE, Inc. File No. 18-047NY-1832

Dear Mr. Klestadt:

At your request and authorization, CBRE, Inc. has prepared an appraisal of the market value of the referenced property. Our analysis is presented in the following appraisal report.

The subject is a 64-room full Service 11-story hotel property located at the northwest corner of West 26th Street and Broadway in The Nomad section of Manhattan, NY. The improvements were constructed in 1927, repositioned circa 2010/11 and in average condition for its age. The property is situated on a 3,075 SF site. The property is subject to a bankruptcy process that has negatively impacted performance. The retail/restaurant space has not been in operation and the property has recently had a change in the hotel management company while in litigation. The property has been operating as an independent non-branded hotel.

The property is currently no operating at a stabilized level, therefore we have included "As Is", "As Completed" and "As Stabilized" values within the appraisal report.

Based on the analysis contained in the following report, the market value of the subject is concluded as follows:

Tracy L. Klestadt, Esq.
August 30, 2018
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MARKET VALUE CONCLUSION			
Appraisal Premise	Interest Appraised	Date of Value	Value Conclusion
As Is	Fee Simple Estate	August 26, 2018	\$45,300,000
As Complete	Fee Simple Estate	August 26, 2019	\$52,000,000
As Stabilized	Fee Simple Estate	August 26, 2020	\$56,000,000
Compiled by CBRE			

The value allocation of the subject has been concluded as follows:

AS IS VALUE ALLOCATION	
Interest Appraised - Allocation	Value Conclusion
Fee Simple Estate	
As Is Value	\$45,300,000
Personal Property	\$300,000
Business Enterprise Value	\$0
Real Property Value - As Is	\$45,000,000
Compiled by CBRE	
AS COMPLETE VALUE ALLOCATION	
Interest Appraised - Allocation	Value Conclusion
Fee Simple Estate	
As Complete Value	\$52,000,000
Personal Property	\$2,600,000
Business Enterprise Value	\$0
Real Property Value - As Complete	\$49,400,000
Compiled by CBRE	
AS STABILIZED VALUE ALLOCATION	
Interest Appraised - Allocation	Value Conclusion
Fee Simple Estate	
As Stabilized Value	\$56,000,000
Personal Property	\$2,300,000
Business Enterprise Value	\$0
Real Property Value - As Stabilized	\$53,700,000
Compiled by CBRE	

The report, in its entirety, including all assumptions and limiting conditions, is an integral part of, and inseparable from, this letter.

The following appraisal sets forth the most pertinent data gathered, the techniques employed, and the reasoning leading to the opinion of value. The analyses, opinions and conclusions were developed based on, and this report has been prepared in conformance with, the guidelines and recommendations set forth in the Uniform Standards of Professional Appraisal Practice (USPAP), and the requirements of the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute. It also conforms to Title XI Regulations and the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (FIRREA) updated in 1994 and further updated by the Interagency Appraisal and Evaluation Guidelines promulgated in 2010.

Tracy L. Klestadt, Esq.
August 30, 2018
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The intended use and user of our report are specifically identified in our report as agreed upon in our contract for services and/or reliance language found in the report. As a condition to being granted the status of an intended user, any intended user who has not entered into a written agreement with CBRE in connection with its use of our report agrees to be bound by the terms and conditions of the agreement between CBRE and the client who ordered the report. No other use or user of the report is permitted by any other party for any other purpose. Dissemination of this report by any party to any non-intended users does not extend reliance to any such party, and CBRE will not be responsible for any unauthorized use of or reliance upon the report, its conclusions or contents (or any portion thereof).

It has been a pleasure to assist you in this assignment. If you have any questions concerning the analysis, or if CBRE can be of further service, please contact us.

Respectfully submitted,

CBRE - VALUATION & ADVISORY SERVICES



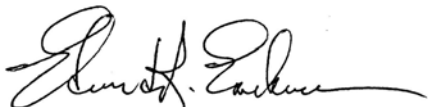
Edward R. Eschmann, MAI
Director
NYS License 46-2842

Phone: (212) 207-6092
Fax: (212) 207-6069
Email: edward.eschmann@cbre.com

Certification

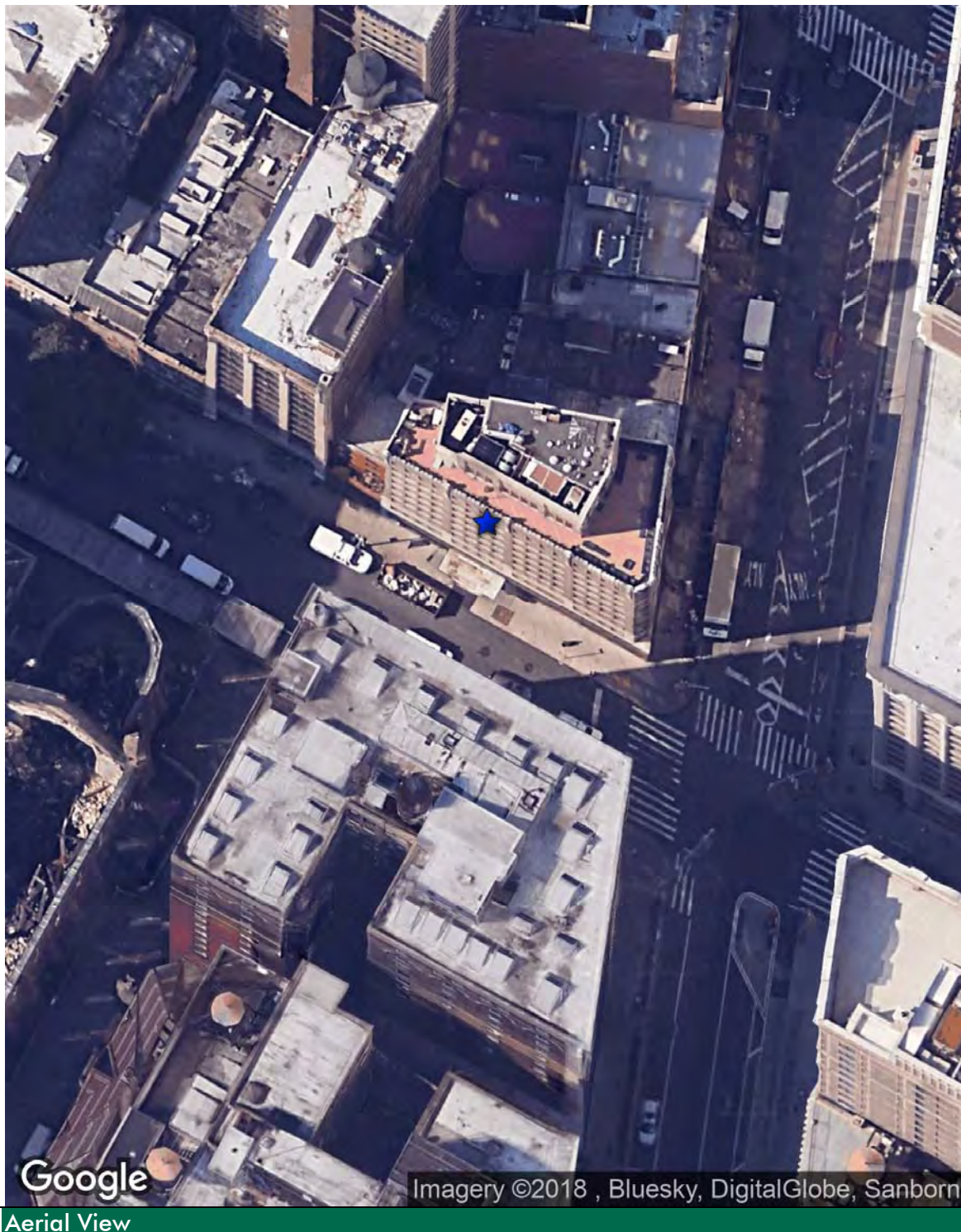
We certify to the best of our knowledge and belief:

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are our personal, impartial and unbiased professional analyses, opinions, and conclusions.
3. We have no present or prospective interest in or bias with respect to the property that is the subject of this report and have no personal interest in or bias with respect to the parties involved with this assignment.
4. Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
5. Our compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
6. This appraisal assignment was not based upon a requested minimum valuation, a specific valuation, or the approval of a loan.
7. Our analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice, as well as the requirements of the State of New York.
8. The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.
9. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
10. As of the date of this report, Edward R. Eschmann, MAI and has completed the continuing education program for Designated Members of the Appraisal Institute.
11. Edward R. Eschmann, MAI has made a personal inspection of the property that is the subject of this report.
12. No one provided significant real property appraisal assistance to the persons signing this report.
13. Valuation & Advisory Services operates as an independent economic entity within CBRE, Inc. Although employees of other CBRE, Inc. divisions may be contacted as a part of our routine market research investigations, absolute client confidentiality and privacy were maintained at all times with regard to this assignment without conflict of interest.
14. Edward R. Eschmann, MAI has not provided any services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.



Edward R. Eschmann, MAI
NYS Lic. 46-2842

Subject Photographs





Subject



Subject front entry on West 26th Street



West 26th Street – subject on right



Broadway – subject on left



Interior retail space ground floor



Interior retail space ground floor



Retail Space ground floor



Mezzanine retail space



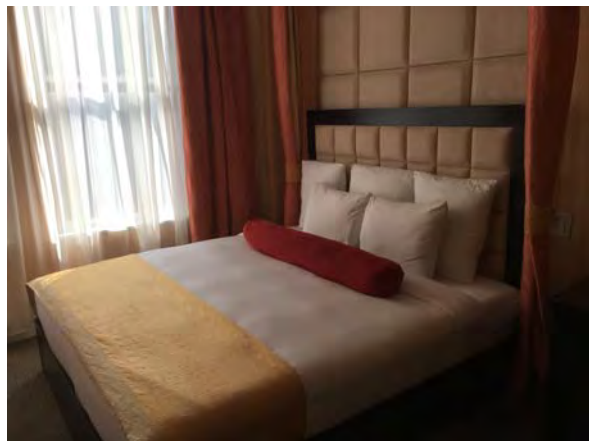
Business Center on Mezzanine



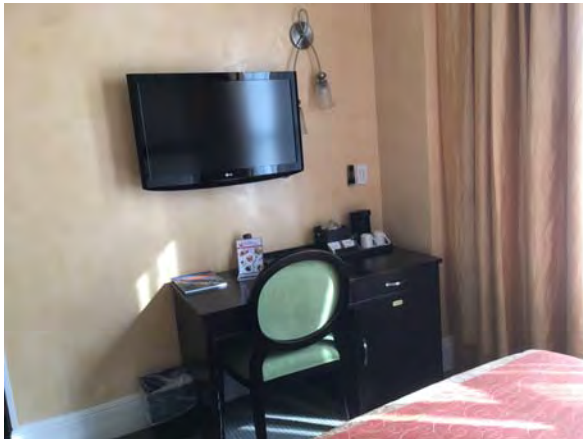
Penthouse Space



Common Hallway – elevator bank



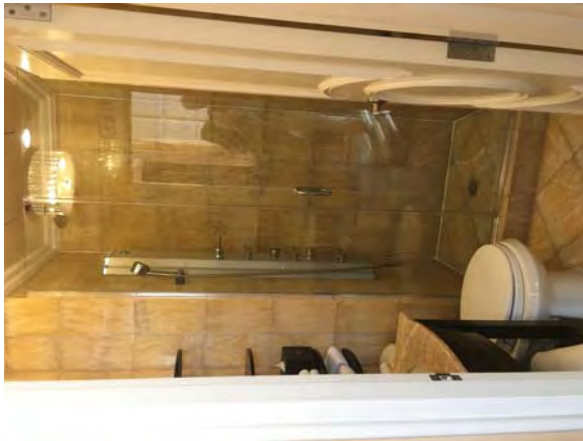
Standard King Room



Standard in-room FF&E



Standard Guest Bath



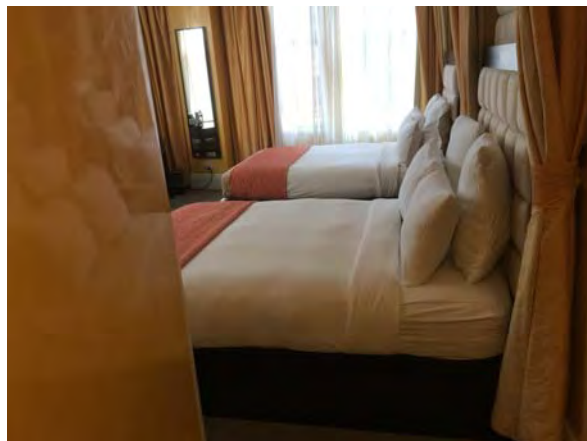
Standard Guest Bath/ Stand in Shower



Standard Double Double Guest room



Guest Room FF&E



Corner Deluxe Room

Executive Summary

Property Name	Flatiron Hotel	
Location	9 West 26th Street (aka 1141 Broadway), New York, New York County, New York 10010	
Highest and Best Use		
As If Vacant	Hotel	
As Improved	Hotel	
Property Rights Appraised	Fee Simple Estate	
Date of Report	August 31, 2018	
Date of Inspection	August 26, 2018	
Estimated Exposure Time	9 Months	
Estimated Marketing Time	9 Months	
Land Area	0.07 AC	3,075 SF
Improvements		
Property Type	Hotel	(Full Service Hotel)
Number of Buildings	1	
Number of Stories	11	
Gross Building Area	33,589 SF	
Number of Rooms	64	
Restaurant/Lounge	Not operating	
Meeting Space	Restaurant/Lounge, Business, Fitness Centers	
Total/Largest Meeting Space	1,000 SF (total); 1,000 SF (largest space)	
Total Meeting Space Per Guest Room	16 SF	
Property Amenities		
Year Built	1927	Renovated: 2010
Condition	Average	
Buyer Profile	Investor-Regional	

Financial Indicators

Current/Trailing 12 Mos. Occupancy	72.0%	
Projected Year 1 Occupancy	68.0%	
Stabilized Occupancy	86.0%	
Estimated Stabilization	August-2020	
Current/Trailing 12 Mos. Average Daily Rate	\$222.17	
Projected Year 1 Average Daily Rate	\$241.50	
Stabilized Average Daily Rate	\$273.62	
Projected Inflation Rates	ADR	Expenses
Year 1	5.0%	3.0%
Year 2	10.0%	3.0%
Year 3	3.0%	3.0%
Year 4	3.0%	3.0%
Year 5	3.0%	3.0%
Stabilized	3.0%	3.0%
Going-In Capitalization Rate	5.25%	
	As Is	As Stabilized
Discount Rate	7.50%	6.75%
Terminal Capitalization Rate	5.75%	5.75%

Year 1 Operating Data

	Total	Per Room
Total Revenue	\$4,222,548	\$65,977.31
Operating Expenses	\$2,545,280	\$39,770.00
Expense Ratio	60.28%	
Net Operating Income (EBITDA)	\$1,677,268	\$26,207.31

Stabilized Operating Data - Year 3

	Total	Per Room
Total Revenue	\$5,979,860	\$93,435.32
Operating Expenses	\$3,207,707	\$50,120.42
Expense Ratio	53.64%	
Net Operating Income (EBITDA)	\$2,772,153	\$43,314.89

VALUATION		Total	Per Room
Market Value As Is On	August 26, 2018		
Sales Comparison Approach		\$39,600,000	\$618,750.00
Income Capitalization Approach		\$45,300,000	\$707,812.50
Market Value As Stabilized On	August 26, 2020		
Sales Comparison Approach		\$47,200,000	\$737,500.00
Income Capitalization Approach		\$56,000,000	\$875,000.00

CONCLUDED MARKET VALUE			
Appraisal Premise	Interest Appraised	Date of Value	Value
As Is	Fee Simple Estate	August 26, 2018	\$45,300,000
As Completed	Fee Simple Estate	August 26, 2019	\$52,000,000
As Stabilized	Fee Simple Estate	August 26, 2020	\$56,000,000
Compiled by CBRE			

STRENGTHS, WEAKNESSES, OPPORTUNITIES AND THREATS (SWOT)

Strengths/ Opportunities

- The subject is well located within New York City, within the Nomad Section of midtown south a highly desirable area for hotels, business and transients;
- The property has been well maintained and is in average to good condition for its age;
- The property has unique design and architecture which sets it apart from most other hotels in the market;
- The subject offers an upscale accommodations;
- The subject is proximate to many demand generators, is proximate to public transportation and well positioned in terms of access and exposure
- The property has very good corner location for retail use

Weaknesses/ Threats

- The subject does not have a franchise affiliation is currently operated as an independent hotel;
- The property is located in a very competitive hotel market with many major franchises and independent hotels represented in the submarket;
- The subject has experienced instability and is currently suffering in terms of ADR, Occupancy and RevPAR due to the management and bankruptcy related conditions;
- There is strong competition in the market from other franchised and independent full service hotels; and
- There has been a robust pipeline of new developments throughout New York City;
- The hotel operators that have experienced downward pressure in performance may continue to constrain price growth by lowering pricing in the market;
- Hotels without a base of customers, such as the subject are highly reliant on Online Travel Agencies that come at a high cost;
- Interest rate risk.

EXTRAORDINARY ASSUMPTIONS

An extraordinary assumption is defined as “an assignment-specific assumption as of the effective date regarding uncertain information used in an analysis which, if found to be false, could alter the appraiser’s opinions or conclusions.” ¹

- None noted

HYPOTHETICAL CONDITIONS

A hypothetical condition is defined as “a condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purposes of analysis.” ²

- None noted

¹ The Appraisal Foundation, *USPAP*, 2018-2019

² The Appraisal Foundation, *USPAP*, 2018-2019

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Introduction

OWNERSHIP AND PROPERTY HISTORY

Title to the property is currently vested in the name of 1141 Realty Owner LLC, who acquired title to the property in June 2015, as improved for \$0.00, as recorded in 2015000206908 of the New York County Deed Records.

To the best of our knowledge, there has been no other ownership transfer of the property during the previous three years. Presently, the property is currently subject to and in the midst of a bankruptcy process.

INTENDED USE OF REPORT

This appraisal is to be used to assist the intended users in restructuring efforts with the existing lender, their trustee, potential equity members and other constituents, and no other use is permitted.

INTENDED USER OF REPORT

This appraisal is to be used by Klestadt, Winters, Jureller, Southard & Stevens, LLP and 1141 Realty Owners LLC and Flatiron Hotel Operations LLC (collectively, "the company"), and no other user may rely on our report unless as specifically indicated in the report.

Intended Users - the intended user is the person (or entity) who the appraiser intends will use the results of the appraisal. The client may provide the appraiser with information about other potential users of the appraisal, but the appraiser ultimately determines who the appropriate users are given the appraisal problem to be solved. Identifying the intended users is necessary so that the appraiser can report the opinions and conclusions developed in the appraisal in a manner that is clear and understandable to the intended users. Parties who receive or might receive a copy of the appraisal are not necessarily intended users. The appraiser's responsibility is to the intended users identified in the report, not to all readers of the appraisal report.³

PURPOSE OF THE APPRAISAL

The purpose of this appraisal is to estimate the market value of the subject property.

DEFINITION OF VALUE

The current economic definition of market value agreed upon by agencies that regulate federal financial institutions in the U.S. (and used herein) is as follows:

The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this

³ Appraisal Institute, The Appraisal of Real Estate, 14th ed. (Chicago: Appraisal Institute, 2013), 50.

definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

1. buyer and seller are typically motivated;
2. both parties are well informed or well advised, and acting in what they consider their own best interests;
3. a reasonable time is allowed for exposure in the open market;
4. payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
5. the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.⁴

EXPOSURE/MARKETING TIME

The exposure/marketing time is a function of price, time, and use. It is not an isolated estimate of time alone. In consideration of these factors, we have analyzed the following:

EXPOSURE/MARKETING TIME DATA			
Investment Type	Exposure/Mktg. (Months)		
	Range		Average
Comparable Sales Data	2.0	- 12.0	8.0
PwC Limited Service Hotels			
National Data	2.0	- 12.0	6.5
RERC Hotels			
National Data	n/a	- n/a	5.3
Local Market Professionals	6.0	- 12.0	9.0
CBRE Exposure Time Estimate	9 Months		
CBRE Marketing Period Estimate	9 Months		
PwC Real Estate Investor Survey & Situs RERC Real Estate Report			

INTEREST APPRAISED

The value estimated represents the Fee Simple Estate and is defined as follows:

Fee Simple Estate - Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power and escheat.⁵

Leased Fee Interest - A freehold (ownership interest) where the possessory interest has been granted to another party by creation of a contractual landlord-tenant relationship (i.e., a lease).⁶

⁴ Interagency Appraisal and Evaluation Guidelines; December 10, 2010, Federal Register, Volume 75 Number 237, Page 77472.

⁵ *Dictionary of Real Estate Appraisal*, 78.

⁶ *Dictionary of Real Estate Appraisal*, 113.

Leasehold Interest - The tenant's possessory interest created by a lease.⁷

SCOPE OF WORK

This Appraisal Report is intended to comply with the reporting requirements set forth under Standards Rule 2 of USPAP. The scope of the assignment relates to the extent and manner in which research is conducted, data is gathered and analysis is applied. CBRE, Inc. completed the following steps for this assignment:

Extent to Which the Property is Identified

The property is identified through the following sources:

- postal address
- assessor's records
- legal description

Extent to Which the Property is Inspected

CBRE, Inc. inspected both the interior and exterior of the subject, as well as its surrounding environs on the effective date of appraisal. We did not inspect the roof nor did we make a detailed inspection of the mechanical systems. We are not qualified to render an opinion regarding the adequacy or condition of these components. The client is urged to retain an expert in this field if detailed information is required.

The extent of the inspection included a tour with the on-site general manager. This included the following:

- subject room/suites including a standard king, standard Queen, Corner Deluxe, Madison Park Double;
- subject public/common areas including the grade floor retail space, mezzanine, business and penthouse space and roof deck;
- the subject back of the house areas including the hotel laundry, kitchen, and employee work areas

This inspection sample was considered an adequate representation of the subject property and is the basis for our findings.

Type and Extent of the Data Researched

CBRE reviewed the following:

- applicable tax data
- zoning requirements
- flood zone status
- demographics
- income and expense data
- comparable data

⁷ *Dictionary of Real Estate Appraisal*, 113.

Type and Extent of Analysis Applied

CBRE, Inc. analyzed the data gathered through the use of appropriate and accepted appraisal methodology to arrive at a probable value indication via each applicable approach to value. The steps required to complete each approach are discussed in the methodology section.

Data Resources Utilized in the Analysis

DATA SOURCES	
<i>Item:</i>	<i>Source(s):</i>
Site Data	
Size	Public records
Improved Data	
Building Area	Public records
No. Bldgs.	Public records
Parking Spaces	NA
Year Built/Developed	Public records
Economic Data	
Deferred Maintenance:	inspection
Building Costs:	NA
Income Data:	Property Management
Expense Data:	Property Management
Compiled by CBRE	

Area Analysis

The dynamic nature of economic relationships within a market area has a direct bearing on real estate values and the long-term quality of a real estate investment. In the market, the value of a property is not based on the price paid for it in the past or the cost of its creation, but on what buyers and sellers perceive it will provide in the future. Consequently, the attitude of the market toward a property within a specific neighborhood or market area reflects the probable future trend of that area.

Since real estate is an immobile asset, economic trends affecting its locational quality in relation to other competing properties within its market area will also have a direct effect on its value as an investment. To accurately reflect such influences, it is necessary to examine the past and probable future trends, which may affect the economic structure of the market and evaluate their impact on the market potential of the subject. This section of the report is designed to isolate and examine the discernible economic trends in the region and neighborhood, which influence and create value for the subject property.

Regional Area

The subject property is located in Manhattan, one of the five boroughs comprising New York City.

The examination of social forces is primarily based upon demographic characteristics of an area including, but not limited to, population trends, age of population and household formation. A review of these demographic trends is imperative in order to determine the basic demand for real property in the area.

Population

The population in New York City has increased approximately 6.3% from 2010 to 2017, as estimated by Claritas. Changes among the different boroughs varied considerably with Staten Island reflecting the lowest population increase of 3.2%, while Brooklyn's population has increased by 7.4%. The most recent data from Claritas, Inc. is summarized as follows. The 2017 estimates and the 2022 projections are based on census data.

NEW YORK CITY POPULATION DATA					
	2010 Census	2017 Estimate	2010-2017 % Change	2022 Projection	2017-2022 % Change
Bronx	1,385,108	1,468,348	6.0%	1,530,539	4.2%
Brooklyn	2,504,700	2,688,928	7.4%	2,824,834	5.1%
Manhattan	1,585,873	1,664,404	5.0%	1,722,458	3.5%
Queens	2,230,722	2,385,994	7.0%	2,491,066	4.4%
Staten Island	468,730	483,941	3.2%	494,670	2.2%
New York City Total	8,175,133	8,691,615	6.3%	9,063,567	4.3%
Source: Claritas					

The population within the city is expected to increase through 2022. Over the next five years Brooklyn is anticipated to have the highest increase in population with an increase of 5.1%. The New York City Boroughs are all projected to experience moderate growth, ranging between 2.2% and 5.1% over the next 5 years. Overall, the population in New York City is projected to increase by 4.3% during the next five-year period.

Households

Household statistics calculated based on census data are summarized as follows.

NEW YORK CITY HOUSEHOLD DATA					
	2010	2017	2010-2017	2022	2017-2022
	Census	Estimate	% Change	Projection	% Change
Bronx	483,449	507,614	5.0%	527,673	4.0%
Brooklyn	916,856	975,502	6.4%	1,020,861	4.6%
Manhattan	763,846	799,644	4.7%	826,658	3.4%
Queens	780,117	822,168	5.4%	854,211	3.9%
Staten Island	165,516	169,138	2.2%	172,245	1.8%
New York City Total	3,109,784	3,274,066	5.3%	3,401,648	3.9%

Source: Claritas

As illustrated in the previous table, the number of households in New York City has increased by 5.3% since 2010, and is expected to increase by 3.9% between 2017 and 2022. The number of households is expected to grow at the greatest rate in the Brooklyn borough over the next 5 years at a rate of 4.6%. According to Clarita's estimates the slowest growth is expected to occur in Staten Island.

NEW YORK CITY HOUSEHOLD MEDIAN INCOME DATA					
	2000	2017	2010-2017	2022	2017-2022
	Census	Estimate	% Change	Projection	% Change
Bronx	\$27,926	\$35,859	28.4%	\$36,907	2.9%
Brooklyn	\$32,509	\$48,630	49.6%	\$53,331	9.7%
Manhattan	\$47,470	\$77,442	63.1%	\$90,945	17.4%
Queens	\$43,182	\$59,976	38.9%	\$67,659	12.8%
Staten Island	\$55,637	\$79,984	43.8%	\$88,826	11.1%
New York City Total	\$41,345	\$60,378	46.0%	\$67,534	11.9%

Source: Claritas

Of the five boroughs of New York City, Manhattan has the highest median household income, followed by Staten Island and Queens. Over the next five-year period, the median household income within the boroughs is projected to grow within a range of 2.9% to 17.4% in the five boroughs, and Manhattan is expected to see the highest income appreciation at 17.4%.

Transportation

Transportation has been a major factor in the development of New York City. The city has a well-integrated network of highways with a well-developed mass transportation system which facilitates access for commuters as well as the distribution of goods and services through the

region. Vehicular transportation in the region and the borough is facilitated through a network of highways while the Metropolitan Transit Authority operates a rail and bus network.

Two of the area airports, LaGuardia and JFK International Airports are both located within Queens. Within Manhattan, of the two major business areas, Midtown is more convenient in terms of commuting than Downtown due to its proximity to the commuter train system. While the automobile is the primary mode of transportation surrounding New York City, primary access in Manhattan is provided by mass transportation, specifically the subway system.

The Long Island Expressway, the Grand Central Parkway, and Belt Parkway facilitate vehicular access to the area. The Triborough Bridge, Queensboro, Brooklyn Bridge, Williamsburg Bridge, Manhattan Bridge, Midtown Tunnel and Brooklyn-Battery Tunnel provide access to Manhattan.

GOVERNMENTAL FORCES

Overview

The Mayor and the City Council govern the City of New York. In addition, there is a Borough President in each borough and Councilpersons, which govern individual districts within each borough. Local city officials implement land use regulations through the auspices of the Bureau of Economic Development, Zoning Department and Department of City Planning. The local planning board with neighborhood representation must also review any proposed project. Support services, such as transportation, schools, health care, police, and fire protection are provided by the City of New York.

Taxes

Residents of New York City are taxed on three levels, the first is the Federal Government, second is the State of New York, and the last is the City of New York, which imposes a resident income tax and property taxes for those persons who reside within the five boroughs. The combined income tax rate for persons in New York City is one of the highest in the nation and imposes a hindrance towards relocating to the city. Residential property taxes, however, are comparably low to surrounding Nassau, Suffolk and Westchester Counties. The City of New York has recently sought to re-impose the so called "commuter tax" on suburban residents who work in the City. Such a measure would require State approval and as of the date of this analysis these approvals have not been granted.

Land Use Regulations

The City Planning Department, Zoning Department and the Economic Development Authority govern land use regulations. These agencies as well as other city departments govern land use controls that include zoning, growth management systems, subdivision regulations, development fees and environmental restrictions. The net effect of these land use policies is to raise the cost of land development, especially in Manhattan.

Zoning

Zoning regulations and planning have the greatest impact on property values and development in the city. The zoning regulations within the city are the most complex in the country, increasing the cost of all residential and commercial development in the city.

Municipal Services

The City of New York provides public services such as police and fire protection, schools and other basic services.

ECONOMIC FORCES

With 177,677 full-time employees in 2017, the City of New York is the area's top employer. New York Department of Education is the second largest employer in the area with 144,740 employees, and following in third is the US government. The chart below shows the New York Area's 25 largest employers.

NEW YORK AREA LARGEST EMPLOYERS		
Ranking	Company Name	Number of Employees in New York City*
1	City of New York (City Hall)	177,677
2	New York City Dept of Education	144,740
3	US Government	91,217
4	Metropolitan Transportation Authority	70,263
5	State of New York	69,553
6	Northwell Health	48,870
7	NYC Health and Hospitals	47,304
8	Montefiore Health System	32,232
9	Mount Sinai Health System	32,074
10	JPMorgan Chase & Co.	29,000
11	New York-Presbyterian Hospital	23,709
12	NYU Langone Health	23,491
13	Macy's	22,100
14	Bank of America	17,000
15	Verizon Communications	16,973
16	Columbia University	16,136
17	Citigroup Inc.	15,878
18	Morgan Stanley	15,380
19	Memorial Sloan Kettering Cancer Center	14,908
20	Consolidated Edison	14,349
21	PwC	11,429
22	Delta Airlines	10,851
23	American Airlines	10,280
24	New York University	9,804
25	United Parcel Service Inc.	8,949
* New York Area Includes NYC, Nassau, Suffolk, Westchester, Bergen, Essex, Hudson & Union Counties		
Source: Crain's New York Business - 2017		

The following chart outlines total employment and the composition of the different employment industries in New York City between 2008 and 2017.

ANNUAL EMPLOYMENT BY INDUSTRY NEW YORK CITY 2008-2017 (000's)												
Industry	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	Avg. Ann. Growth	Total % Change
Goods Producing	228.3	202.4	188.8	188.0	192.4	198.6	203.7	205.7	223.3	224.3	-0.2%	-1.8%
Construction	132.7	120.8	112.5	112.3	116.1	122.2	127.7	131.5	147.2	151.2	1.4%	13.9%
Manufacturing	95.6	81.6	76.3	75.7	76.3	76.4	76.0	74.2	76.1	73.1	-2.4%	-23.5%
Service Producing	3,565.7	3,491.1	3,522.7	3,610.6	3,693.0	3,782.8	3,898.5	3,997.1	4,122.5	4,202.6	1.8%	17.9%
Trade, Transportation & Utilities	574.5	552.4	559.1	574.7	589.3	603.8	618.4	629.1	630.4	634.3	1.0%	10.4%
Information	169.5	165.3	166.0	170.9	175.8	179.6	184.5	186.2	192.6	197.1	1.6%	16.3%
Financial Activities	465.0	434.2	428.6	439.5	439.1	437.9	448.8	458.1	465.9	469.8	0.1%	1.0%
Prof. & Business Services	603.5	569.4	575.8	598.3	620.4	643.6	668.9	690.2	722.3	742.3	2.3%	23.0%
Educational & Health Services	718.1	734.0	752.4	769.2	786.2	813.2	846.6	877.3	928.7	963.4	3.4%	34.2%
Leisure & Hospitality	310.2	308.5	322.2	342.2	365.7	385.4	406.8	421.3	440.2	452.1	15.2%	45.7%
Other Services	160.8	160.3	160.6	165.2	170.4	174.9	179.5	187.1	190.1	191.5	1.9%	19.1%
Government	564.1	567.0	558.0	550.6	546.1	544.4	545.0	547.8	552.3	552.1	-0.2%	-2.1%
Total Employment	3,794.0	3,693.5	3,711.5	3,798.6	3,885.4	3,981.4	4,102.2	4,202.8	4,345.8	4,426.9	1.7%	16.7%
Employment Change												
Goods Producing	0.0%	-11.3%	-6.7%	-0.4%	2.3%	3.2%	2.6%	1.0%	8.6%	0.4%		
Service Producing	1.4%	-2.1%	0.9%	2.5%	2.3%	2.4%	3.1%	2.5%	3.1%	1.9%		
Total Employment	1.3%	-2.6%	0.5%	2.3%	2.3%	2.5%	3.0%	2.5%	3.4%	1.9%		
Source: US Bureau of Labor Statistics												

Source: US Bureau of Labor Statistics

While the table presented above indicates that annual total employment in the City of New York has varied notably since 2008, the total increase from 2008 to 2017 is 16.7%. Over the last ten years New York City has seen consistent employment growth, at almost 1.7% on an annual basis.

New York City is predominantly a service-oriented economy, with approximately 95% of the current employment within the services producing sector. In the period between 2008 and 2017, the services producing sector experienced average annual growth of 1.8%. Although the goods producing sector, and more specifically the manufacturing sector, have declined on average on a year to year basis, the increases in the services sectors have been able to offset these declines.

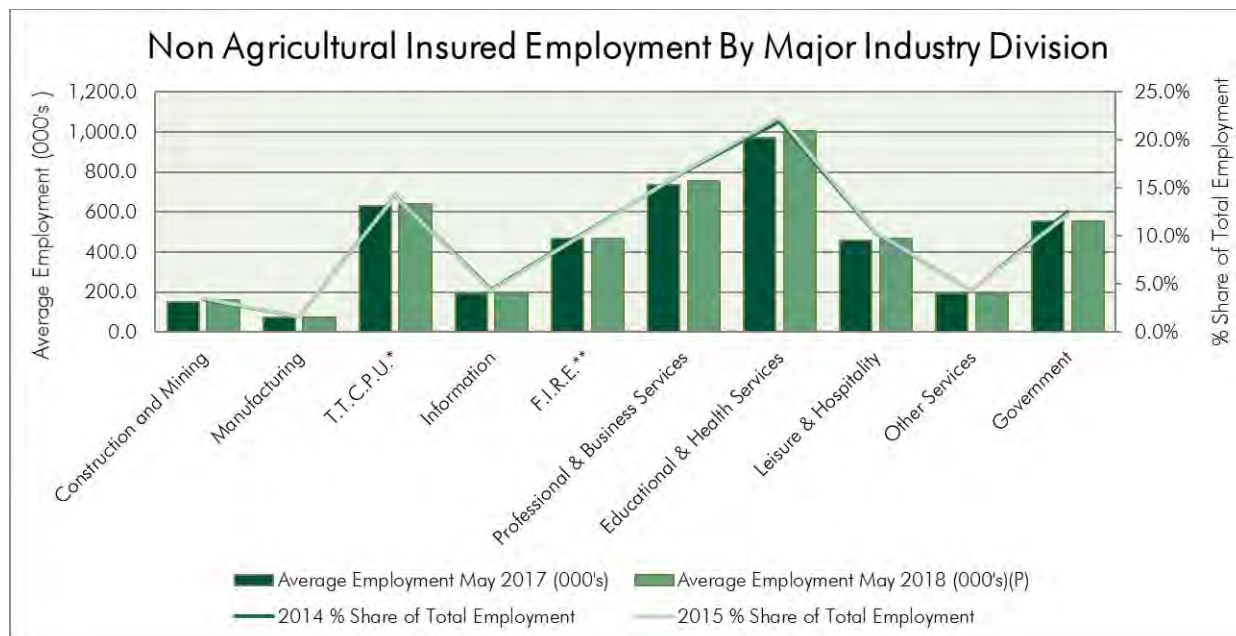
The following table and chart illustrate the increase in employment for the most recently reported month, over the same month of the previous year. As indicated, total employment is showing an increase from the prior year's figures, as seven out of ten sectors increased on a year over year basis in NYC. Overall employment increased year over year by a notable 1.7%. Educational & Health Services is the largest sector in NYC, accounting for 22.3% of total employment, and has grown by 3.7% when compared to the same time in the previous year. The Construction & Mining sector posted the largest year over year growth of 5.3%.

NON-AGRICULTURAL INSURED EMPLOYMENT BY MAJOR INDUSTRY DIVISION
May 2017 to 2018 Comparison - Not Seasonally Adjusted
NEW YORK CITY, NY

INDUSTRY	Average Employment May 2017 (000's)	SHARE	Average Employment May 2018 (000's)(P)	SHARE	CHANGE
Construction and Mining	150.0	3.4%	158.0	3.5%	5.3%
Manufacturing	73.6	1.7%	71.7	1.6%	-2.6%
T.T.C.P.U.*	632.0	14.3%	638.5	14.2%	1.0%
Information	194.9	4.4%	194.5	4.3%	-0.2%
F.I.R.E.**	465.0	10.5%	469.4	10.4%	0.9%
Professional & Business Services	737.3	16.6%	753.1	16.7%	2.1%
Educational & Health Services	971.5	21.9%	1,007.1	22.3%	3.7%
Leisure & Hospitality	459.9	10.4%	468.7	10.4%	1.9%
Other Services	192.4	4.3%	195.1	4.3%	1.4%
Government	554.4	12.5%	552.4	12.3%	-0.4%
TOTALS	4,431.0	100.0%	4,508.5	100.0%	1.7%

* Trade, Transportation, & Public Utilities ** Finance/Insurance/Real Estate (P) Preliminary data

Source: U.S. Bureau of Labor Statistics; Compiled by CBRE, Inc.



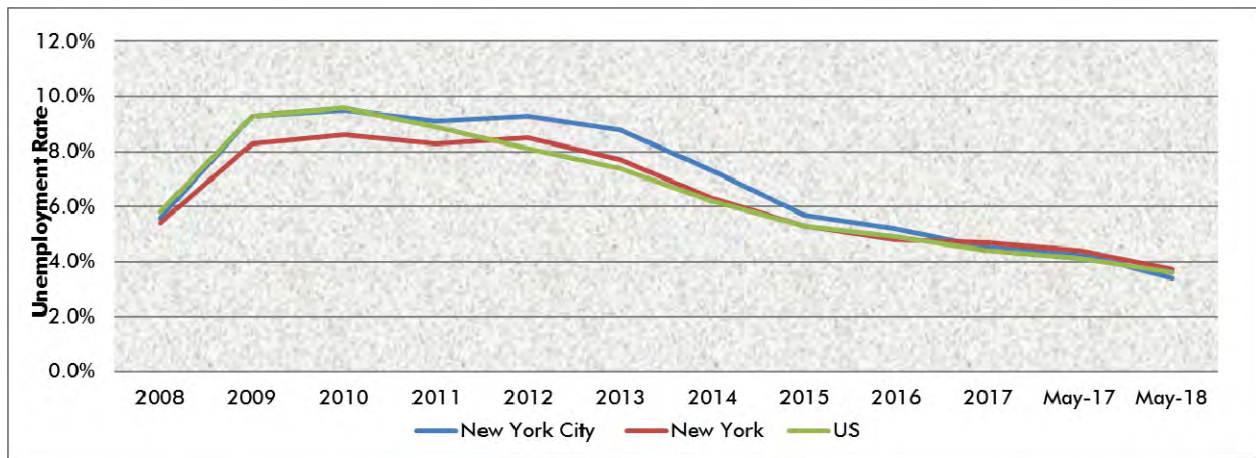
UNEMPLOYMENT RATE

The following table and chart details the historical unemployment rate in the New York metro area, New York State as a whole, and the nation as a whole.

UNEMPLOYMENT											
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	May-17 May-18
New York City	5.6%	9.3%	9.5%	9.1%	9.3%	8.8%	7.3%	5.7%	5.2%	4.5%	4.3% 3.4%
New York	5.4%	8.3%	8.6%	8.3%	8.5%	7.7%	6.3%	5.3%	4.8%	4.7%	4.4% 3.7%
US	5.8%	9.3%	9.6%	8.9%	8.1%	7.4%	6.2%	5.3%	4.9%	4.4%	4.1% 3.6%

May-18 City Percentage is preliminary

Source: Bureau of Labor Statistics; Compiled by CBRE



The most recent data shows that the preliminary unemployment rate in New York City was 3.4% in May 2018, which represents a considerable decrease of 90 basis points on a year-over-year basis. New jobs in the professional and business services, construction & mining, and educational & health services sectors drove the city's growth last year. Historically, the unemployment rate in New York City has been greater than that of overall New York and the US in the past 10 years. However, in 2017 the unemployment rate in New York City was lower than the state and just a nominal 10 basis points higher than the US. Even with recent economic growth the unemployment rate in the city remains somewhat inflated. This is due in part because the unemployment rate reflects the jobs held by New York City residents, while the job data portrayed in the previous section reflects jobs located within the city itself, many of which are held by non-New York City residents. In May 2018, the city unemployment rate was 30 basis points less than that of the overall New York State and 20 basis points less than that of the overall US. The May 2018 New York City unemployment rate represents a ten-year low based on the timeline above. With continued growth, we project that the City of New York will remain a financial and cultural center for the country and the world.

MOODY'S ANALYTICS

Moody's Economy.com provides the following New York-Jersey City-White Plains, NY-NJ metro area economic summary as of May-18. The full Moody's Economy.com report is presented in the Addenda.

NEW YORK-JERSEY CITY-WHITE PLAINS, NY-NJ - ECONOMIC INDICATORS												
Indicators	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Gross Metro Product (C09\$ Bil)	947.1	947.9	967.3	987.2	993.2	1,012.2	1,038.0	1,059.0	1,063.3	1,091.4	1,123.0	1,147.7
% Change	3.6	0.1	2.0	2.0	0.6	1.9	2.5	2.0	0.4	2.6	2.9	2.2
Total Employment (Ths)	6,269.7	6,391.9	6,558.5	6,720.8	6,853.5	6,977.2	7,072.0	7,131.0	7,130.5	7,128.2	7,175.4	7,209.6
% Change	1.7	1.9	2.6	2.5	2.0	1.8	1.4	0.8	0.0	0.0	0.7	0.5
Unemployment Rate (%)	9.0	8.3	6.8	5.5	4.9	4.5	4.0	3.6	4.3	5.1	5.2	5.2
Personal Income Growth (%)	6.3	2.1	4.2	4.5	2.0	3.3	4.0	4.1	3.2	3.6	4.0	3.8
Median Household Income (\$ Ths)	59.1	60.2	61.4	63.3	66.1	67.6	69.4	71.2	72.9	74.9	77.1	79.1
Population (Ths)	14,158.4	14,267.6	14,359.5	14,445.3	14,500.6	14,533.8	14,579.5	14,629.8	14,679.9	14,729.6	14,781.9	14,834.3
% Change	0.9	0.8	0.6	0.6	0.4	0.2	0.3	0.3	0.3	0.3	0.4	0.4
Net Migration (Ths)	28.9	18.7	0.4	-5.3	-29.3	-46.7	-34.2	-30.6	-31.2	-31.6	-28.9	-28.3
Single-Family Permits (#)	4,238.0	6,447.0	7,270.0	6,823.0	6,637.0	7,061.3	7,339.2	9,150.6	9,887.7	11,770.4	12,249.5	11,942.0
Multifamily Permits (#)	17,115.0	25,857.0	30,011.0	67,017.0	27,073.0	34,933.5	32,531.5	27,561.3	24,685.9	26,501.6	27,348.1	26,712.4
Fhfa House Price (1995Q1=100)	na	na	na	na	na	na	na	na	na	na	na	na

Source: Moody's Economy.com

RECENT PERFORMANCE

New York-Jersey City-White Plains is at cruising altitude, and it is not time for the landing gear to drop just yet. Upward revisions pushed job growth ahead of the national pace last year, and the unemployment rate has fallen below that of the state for the first time since the Great Recession. While white-collar industries are growing, thanks in part to surging tech investment, healthcare is setting the pace, moving low-wage industries to the fore. The housing market is mixed. A glut of high-end condos has slowed multifamily construction, but single-family is strengthening. In fact, the single-family Case-Shiller index outpaced the condo index last year for the first time since 2009.

FINANCE

An elevated reliance on the securities industry will become a liability. Prolific gains in equity markets last year bolstered banks' bottom lines, leading Wall Street bonuses to rise 17%, well above expectations. Also, the new federal tax law has yielded billions in savings for large banks with a major presence in the Big Apple.

However, financial services output for the state and securities employment in NEY are barely trading water as firms seek lower-cost locations. Moving forward, rising interest rates will hold back equity markets, and the partial rollback of Dodd-Frank banking legislation will not provide much lift. Capital requirements on large banks are mostly unchanged; more stringent risk management has become the industry standard and should continue regardless of the law.

CONSUMERS

Consumer industries will disappoint as spending by residents and visitors slows. After easily outpacing the U.S. for most of this expansion, growth in retail and leisure/hospitality has fallen behind. Confidence among residents is slipping, keeping spending in check despite a pickup in the broader area's Employment Cost Index. Although fears of an equity market correction and a slowdown in international tourism have not been borne out, they remain risks; either would

exacerbate a retail slump, further reducing rents and leading to more store closures in Manhattan.

CRE

Retail is one of numerous concerns surrounding commercial real estate in NEY. Apartment prices are declining, based on Real Capital Analytics' Commercial Property Price index, a trend that will likely continue. An overbuilt ultra-luxury market in Manhattan and a less pronounced slowdown in Brooklyn and Queens have made landlords increasingly reliant on concessions to sign tenants. A similar trend is taking place in the office market, particularly in Midtown Manhattan. Lower-cost locations elsewhere in the country and newer buildings around the World Trade Center and Hudson Yards have proven compelling alternatives. Tech firms continue to seek space, especially in Midtown South, but their smaller footprints keep a lid on demand.

FISCAL

As growth slows, public finances will be a stubborn obstacle. The city's per capita debt burden is twice the national average, according to data from the comptroller's office, and aggressive spending hikes under Mayor Bill de Blasio have increased deficits. The proposed fiscal 2019 budget contains additional spending increases to address labor and borrowing costs as well as reduced federal funding under the new tax law. To date, solid revenue growth has supported increased spending, but slower job and population gains in the coming years could exact a toll.

MOODY'S ANALYTICS CONCLUSION

The best days of the expansion are behind New York-Jersey City-White Plains. As financial markets and commercial property prices come back to Earth, incomes will take a hit. This will put further downward pressure on consumer industries and city finances. In the long run, slowing population gains and extremely high costs will keep growth in check.

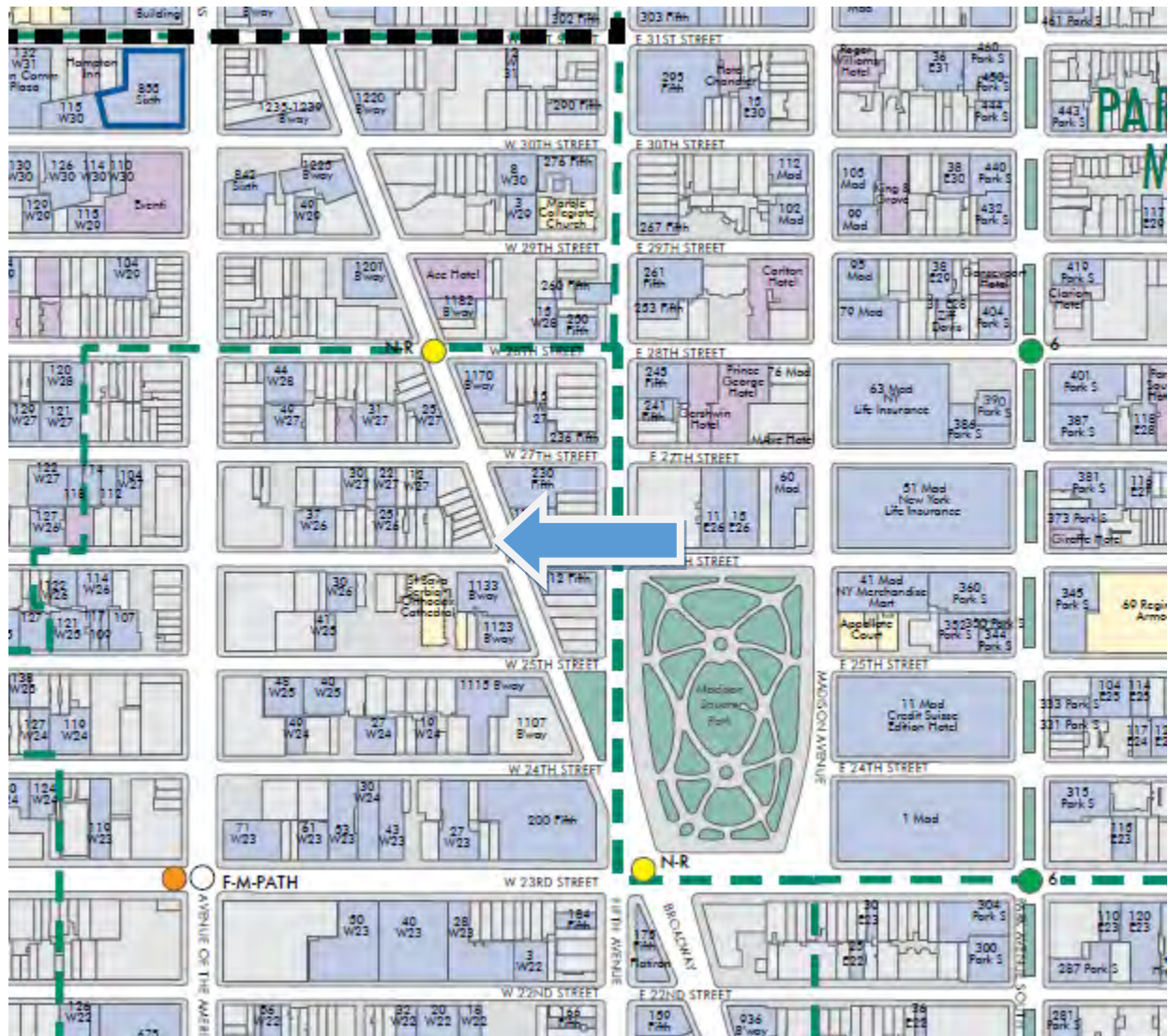
CONCLUSION

Market participants forecast positive economic growth throughout most of the New York City marketplace. They typically cite the resurgence in the technology sector of the marketplace as well as New York City maintaining its status as the dominant financial services center in the World. Further, the city is considered to be the cultural center of the country, with some of the top schools, museums, theaters, and music and entertainment venues in the country. These factors help attract residents and businesses from around the World and support the demographic and economic growth presented elsewhere in this analysis. Going forward, we anticipate moderate economic improvement over the near term, with a more robust long term forecast as new development and infrastructure upgrades continue to drive demand across most segments.

Neighborhood Analysis

LOCATION

The subject is located on the northwest corner of West 26th Street and Broadway in the Nomad neighborhood of Midtown South Manhattan. The property is proximate to Madison Square Park shown in the following map of the area. The subject neighborhood is a diverse area which contains office, retail, hotel, and cultural attractions. A map of the subject neighborhood is presented below:



LAND USE

The surrounding neighborhood includes a wide variety of land uses, including office, educational, commercial, cultural, residential and hotel uses. In recent years, the neighborhood has undergone a gentrification as many of the former loft and warehouse buildings were converted

into residential uses as well as galleries, restaurants, and nightclubs. The area has witnessed significant residential growth as well, with the addition of numerous high-rise rental buildings in the late 1990's and early 2000's and a significant amount of condominium development in the last 5-7 years. The more significant projects completed in the surrounding are situated along Madison Square Park and include 10 Madison West, a luxury condominium conversion situated on the same block as the subject, One Madison Park and 45 East 22nd Street, two luxury two luxury, high-rise condominium buildings completed to the south of Madison Square Park. Further, the Clocktower, situated along 24th Street across Madison Square Park was converted into a luxury hotel. Within the subject neighborhood, there are both proposed or under construction hotel and retail projects, including 140 West 28th Street, 132 West 28th Street, and 113-117 West 24th Street. Several hotels are situated along Broadway, Fifth Avenue as well as side streets of 28 through 31st Streets which are considered proximate to the subject.

The subject's immediate neighborhood is characterized by Madison Square Park and the Flatiron Building, the triangular shaped famous building that result from Broadway's diagonal bisection of the area. 11 Madison Avenue is a 2 million square foot full block, Art Deco Class A office building. The neighborhood is part of Manhattan Community District Five. A summary of the land uses within District Five is presented below:

LAND USE, 2014			
	Lots	Lot Area	
		Sq. Ft.(000)	%
1- 2 Family Residential	15	24.5	0.1
Multi-Family Residential	307	1,921.5	6.6
Mixed Resid. / Commercial	453	2,734.1	9.4
Commercial / Office	1,751	19,017.9	65.1
Industrial	281	1,396.3	4.8
Transportation / Utility	20	855.2	2.9
Institutions	117	1,563.0	5.4
Open Space / Recreation	12	948.4	3.2
Parking Facilities	64	467.1	1.6
Vacant Land	93	289.9	1.0
Miscellaneous	17	16.3	0.1
Total	3,130	29,234.2	100.0



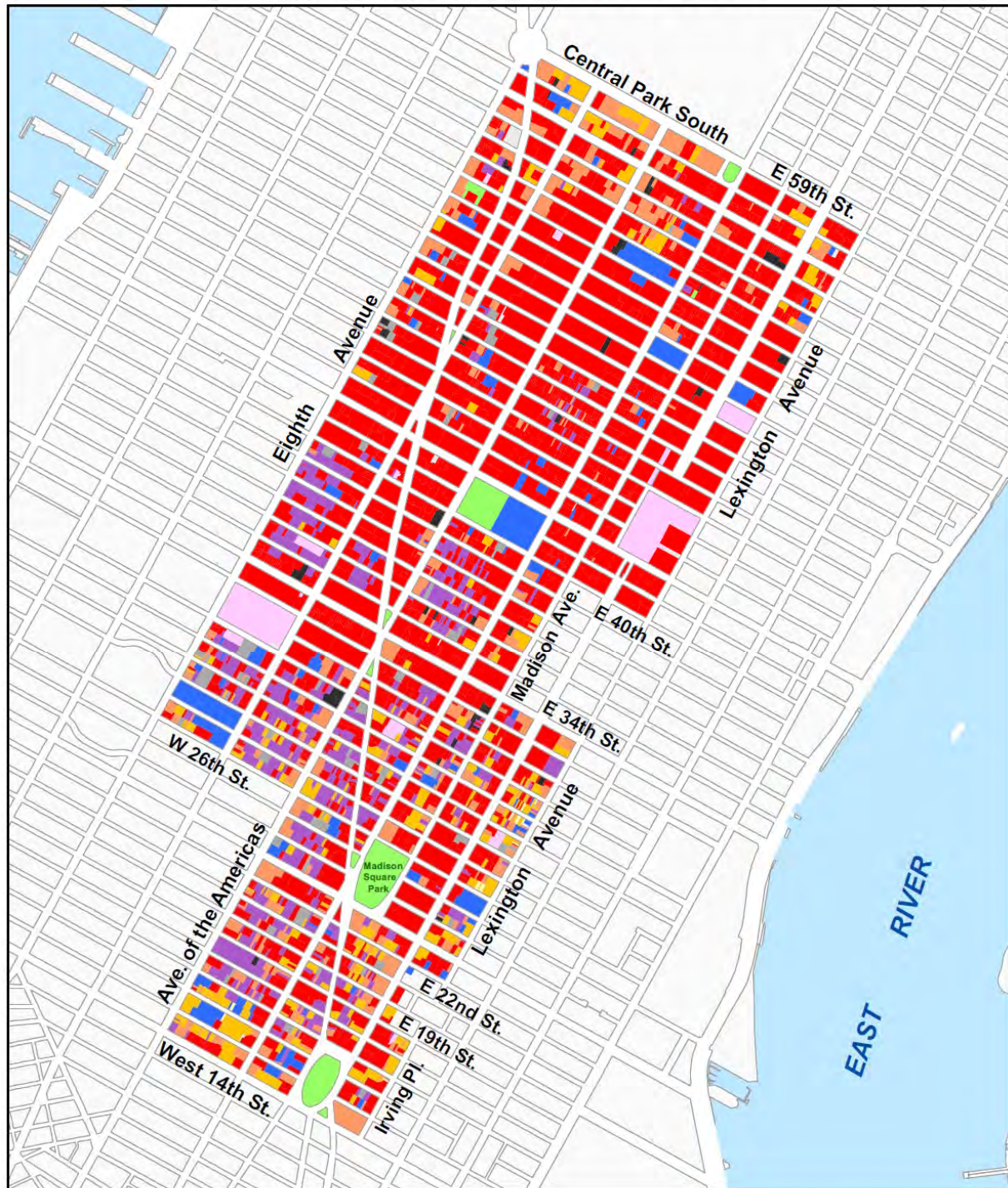
The subject neighborhood is considered fully built-out. The area along Madison Avenue and Fifth Avenue (across from Madison Square Park) is known as NoMad, "North of Madison," or a "new" neighborhood where new luxury condominium projects have started replacing some of the existing commercial/office improvements.

Park Avenue South towards the East of the subject and 6th Avenue, to the west, are considered good quality commercial areas, although a number of new residential constructions have been completed in recent years.

The strip of Fifth Avenue immediately south of Madison Square Park, between 14th and 23rd Streets, is characterized by good quality, Class A and B office buildings with retail space at ground floor. In recent years, upscale retailers including Michael Kors, Benetton, Aveda, Nike, and L'Occitane have moved to this location and opened new boutiques and perfumeries.

Side streets like West 25th Street are mostly improved with Class B/C office buildings with grade level retail and generally have a lower commercial appeal compared to the nearby Avenues. Various high-end restaurants have opened in the neighborhood, as well as Eataly, (corner of 23rd and fifth avenue) and well-known hamburger kiosk Shake Shack in Madison Square Park. This neighborhood was previously considered a secondary office location in Manhattan, but has gained significant popularity and is now a desirable office market for non-corporate Technology, Advertising Media and Internet (TAMI) users. The following map describes the land use as it is distributed across the community district.

Manhattan Community District 5



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NYC Department of City Planning

Source: MapPLUTO™ Release 11v1

Residential Land Uses

- One & Two Family Buildings
- Multi-Family Buildings
- Mixed Residential and Commercial Buildings

Non-Residential Land Uses

- Commercial / Office Buildings
- Industrial / Manufacturing
- Open Space and Outdoor Recreation
- Public Facilities and Institutions
- Transportation and Utility
- Parking Facilities
- Vacant Land
- All Others or No Data

New development has occurred in recent years through the conversion or demolition of functionally obsolete properties. 200 Fifth Avenue's gut renovation represents the largest recent office development in the immediate neighborhood, although there has been ground-up development in other parts of Midtown South (including 51 Astor Place). Over the past few years, the majority of the developments have been residentially oriented, including the conversion of the 1107 Broadway (now 10 Madison Square West) to residential condominiums in 2015. Other new residential developments include One Madison Park on 23rd Street between Broadway and Park Avenue South, 45 East 22nd Street, and the Clocktower (located at 5 Madison Avenue which was converted to a luxury hotel.)

ACCESS

Mass transportation is the primary method of transportation in Manhattan. The subject features good access to mass transportation, with the N and R trains situated in close proximity, at the southwestern corner of Madison Square Park. This train line follows along Broadway and crosses Manhattan in a diagonal fashion. In addition, F & M lines are available two blocks southwest at Sixth Avenue and 23rd Street. The 1 train and the 6 trains are within a few blocks from the subject property. As a result of the good local access to mass transit, the subject property is easily accessible from most areas of Manhattan as well as the surrounding boroughs. Regional transportation is available to the north of the subject property at Penn Station (34th Street & Seventh Avenue - Long Island Railroad, NJ Transit & Amtrak) and from Grand Central Station (42nd Street & Park Avenue - Metro North Railroad). The local subway lines connect with these stations, which also provide access to the regional airports (Newark Liberty Airport in New Jersey and JFK Airport in Queens). Southbound bus access is available directly in front of the subject property down Fifth Avenue (M1, M2, M3, M5), with northbound access on Sixth Avenue (M55, X7, M7) and cross town bus service available in both directions along 23rd Street (M23).

DEMOGRAPHICS

Selected neighborhood demographics in Manhattan and the subject's zip code are shown in the following table:

SELECTED NEIGHBORHOOD DEMOGRAPHICS		
24-28 West 25th Street New York, New York	Manhattan	10010 - New York Zip Code
Population		
2022 Total Population	1,722,458	29,968
2017 Total Population	1,664,404	29,545
2010 Total Population	1,585,873	29,261
2000 Total Population	1,537,195	26,185
Annual Growth 2017 - 2022	0.69%	0.28%
Annual Growth 2010 - 2017	0.69%	0.14%
Annual Growth 2000 - 2010	0.31%	1.12%
Households		
2022 Total Households	826,658	16,099
2017 Total Households	799,644	15,907
2010 Total Households	763,846	15,869
2000 Total Households	738,644	15,266
Annual Growth 2017 - 2022	0.67%	0.24%
Annual Growth 2010 - 2017	0.66%	0.03%
Annual Growth 2000 - 2010	0.34%	0.39%
Income		
2017 Median Household Income	\$77,442	\$109,516
2017 Average Household Income	\$131,395	\$162,463
2017 Per Capita Income	\$64,193	\$89,194
2017 Pop 25+ College Graduates	768,694	17,739
Age 25+ Percent College Graduates - 2017	61.4%	79.2%
Source: ESRI		

The neighborhood is generally characterized by an upper middle-income demographic profile as evidenced by the above average median and average household figures listed on the chart above.

CONCLUSION

The subject is situated within the Nomad neighborhood of Midtown South, in proximate to Madison Square Park. The Madison Square Park area is considered a highly desirable commercial and residential area of Midtown South. The surrounding neighborhood is also considered a desirable location in Manhattan that has seen a great deal of growth in recent years. Midtown South has seen a sharp rise in the demand for office space as growing businesses (especially media and technology companies) relocate to the popular area. The neighborhood should continue its strong growth over the near term, with a long-term projection for stable demand and growth across all major sectors.

Site Analysis

The following chart summarizes the salient characteristics of the subject site.

SITE SUMMARY			
Physical Description			
Gross Site Area	0.07 Acres	3,075 Sq. Ft.	
Net Site Area	0.07 Acres	3,075 Sq. Ft.	
Primary Road Frontage	West 26th	96 Feet	
Secondary Road Frontage	Broadway	50 Feet	
Average Depth	40 Feet		
Excess Land Area	None	n/a	
Surplus Land Area	None	n/a	
Shape	Irregular		
Topography	Level		
Zoning District	M1-6		
Flood Map Panel No. & Date	3604970201F		
Flood Zone	Zone X		
Adjacent Land Uses	Commercial and residential uses		
Earthquake Zone	N/A		
Comparative Analysis		<u>Rating</u>	
Visibility	Average		
Functional Utility	Assumed adequate		
Traffic Volume	Average		
Adequacy of Utilities	Assumed adequate		
Landscaping	Average		
Drainage	Assumed adequate		
Utilities		<u>Provider</u>	<u>Adequacy</u>
Water	City of New York		Yes
Sewer	City of New York		Yes
Natural Gas	Consolidated Edison		Yes
Electricity	Consolidated Edison		Yes
Telephone	Various		Yes
Mass Transit	Metropolitan Transit Authority		Yes
Other		<u>Yes</u>	<u>No</u>
Detrimental Easements			<u>Unknown</u>
Encroachments			x
Deed Restrictions			x
Reciprocal Parking Rights			x
Source: Various sources compiled by CBRE			x

INGRESS/EGRESS

Ingress and egress is available to the site via sidewalk access from West 26th Street and Broadway.

West 26th Street is a two lane, one way roadway with traffic heading in a easterly direction. Broadway is a two lane roadway with biking lane with traffic heading in a southerly direction. Street improvements include asphalt paving and concrete curbs, gutters and sidewalks, and street lighting. Street parking is permitted.

ENVIRONMENTAL ISSUES

CBRE, Inc. is not qualified to detect the existence of potentially hazardous material or underground storage tanks which may be present on or near the site. The existence of hazardous materials or underground storage tanks may affect the value of the property. For this appraisal, CBRE, Inc. has specifically assumed that the property is not affected by any hazardous materials that may be present on or near the property.

ADJACENT PROPERTIES

The adjacent land uses are summarized as follows:

North:	Commercial use
South:	Commercial use
East:	Commercial use
West:	Commercial use

The adjacent properties appear well maintained and occupied.

CONCLUSION

The site is well located with very good corner exposure. There appears no conditions which would prevent the site from being developed with its highest and best use.

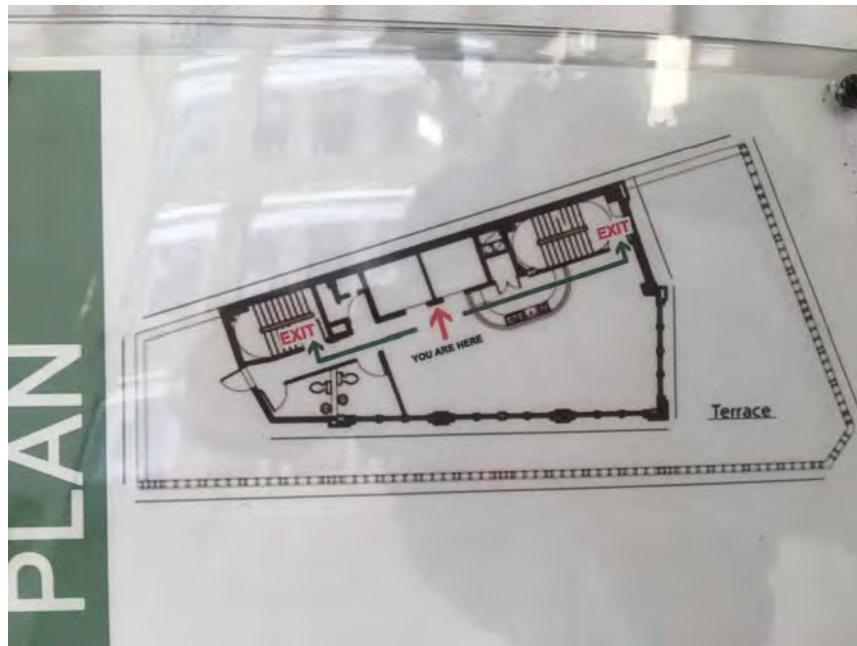
FLOOD PLAIN MAP



IMPROVEMENTS LAYOUT



Typical floor plan of guest room floors 3 – 10



Penthouse suite floor layout

Improvements Analysis

The following chart shows a summary of the improvements.

IMPROVEMENTS SUMMARY			
Property Type	Hotel	(Full Service Hotel)	
Number of Buildings	1		
Number of Stories	11		
Year Built	1927	Renovated:	2010
Gross Building Area	33,589 SF		
Number of Guest Rooms	64		
Restaurant/Lounge	Not operating		
Meeting/Banquet Rooms	Restaurant/Lounge, Business, Fitness Centers		
Property Amenities			
Site Coverage	99.3%		
Land-to-Building Ratio	0.09 : 1		
Parking Spaces:	0		
ROOM TYPE MIX			
Room Type	Comments	No. Rooms	Percent of Total
Broadway Classic		8	12.5%
Flatiron Queen		20	31.3%
Flatiron King		12	18.8%
Madison Park Double		16	25.0%
Corner Deluxe		8	12.5%
Total:		64	100.0%
Source: Various sources compiled by CBRE			

As shown, the subject is 64 room hotel with grade level retail space and rooftop penthouse common space.

Building plans and specifications were not provided for the preparation of this appraisal. The following is a description of the subject improvements and basic construction features derived from CBRE's physical inspection.

BUILDING AREA

Please refer to the Resource Verification table in the Scope of Work for the source of the building area size. The following is a description of the subject improvements and basic construction features derived from CBRE's inspection.

YEAR BUILT

The subject was built in 1927, renovated in circa 2010/11 and is currently average condition.

DESIGN AND LAYOUT

The front entrance to the hotel is accessed via a doorway on West 26th Street. The grade level features the hotel check in and an open lounge area and retail space. The lobby is separated

from the retail space mostly by a large cylindrical fish tank and circular glass stairway. The stairway provides access to a mezzanine level that overlooks the grade level retail space. It is reported that the grade level contains approximately 3,300 SF which includes lower level kitchen area. The mezzanine space includes approximately 1,600 SF. The second level houses a business center, mezzanine seating lounge and common area bathrooms.

Rooms are located on the third to the tenth floor. There are 8 rooms on each floor. The rooms are all facing either Broadway or West 26th Street, thus all rooms generally have good light and air given the corner location of the building. The elevator bank and the stairwells are located on the northern side of the structure that abuts another structure.

ROOMS

The subject's guestrooms are located on floors 3 - 8 of the facility. The ceiling heights of the floors are noted at approximately 9.5-10 feet and thus the rooms appear larger as the open space from the high ceilings give rooms appearance of having larger space. The subject's guest units were originally built out with a high end luxury fit out. The bathrooms are tiled with stone tiling. The walls in the rooms are painted with a two part epoxy paint, carpet is of high quality and doors are luxury styling with solid wood core doors. The rooms include a quality hard and soft goods including drapes, bedding, tables, wall-prints, chairs, tables, new flat panel televisions, televisions built into mirrors in the bathrooms, ipod docking stations with built in wall speakers, furniture such as closets and dressers, and quality lighting. The bathrooms consist of both stand in showers and tub/shower combinations. They are good quality build out.

RESTAURANT/LOUNGE SPACE

The facility's retail space on the grade floor consists of an open lounge area with an array of windows facing on both West 26th Street and Broadway. The space is attractive and its open floor space offers it a variety of options for seating and lounge space. The grade level was once occupied by a full service restaurant that had been turned over as a night club in the evenings, known as the "Toshi Living Room". It is now closed. The mezzanine is directly above the grade floor lounge and has an overlook to the floor below. Given some of the mezzanine is used for the business center, the hotel and restaurant common bathrooms and has open space to the floor below, it has less floor area than the retail space below. The property also has a penthouse meeting space that has a rooftop deck space. It is used for functions and parties. The seating capacity for the space is illustrated in the chart below.

RESTAURANT/LOUNGE FACILITIES		
Name	Seating Capacity	Floor Area SF
Grade Floor	125	3,300
Mezzanine	100	1,600
Penthouse	100	1,600
(1,000 SF in, 600 SF out)		
Compiled by CBRE		

CONSTRUCTION CLASS

Building construction class is as follows:

B - Masonry/concrete ext. walls & concrete/steel roof & floor struct., exc. concrete slab on grade

The construction components are assumed to be in working condition and adequate for the building.

The overall quality of the facility is considered to be average for the neighborhood and age. However, CBRE, Inc. is not qualified to determine structural integrity and it is recommended that the client/reader retain the services of a qualified, independent engineer or contractor to determine the structural integrity of the improvements prior to making a business decision.

FOUNDATION/FLOOR STRUCTURE

The foundation is assumed to be of adequate load-bearing capacity to support the improvements. The floor structure is summarized as follows:

Ground Floor: Concrete slab on compacted fill

EXTERIOR WALLS

The exterior walls are a masonry brick and iron. The grade level storefronts are plate glass set in anodized aluminum frames.

ROOF COVER

The building has a flat built up tar roofing, however the rooftop deck on penthouse floor has a patio block finish. We have assumed the roof is in good condition, free of any leaks.

ELEVATOR/STAIR SYSTEM

The subject has two sets of stairwells and two elevators for vertical transport and fire egress.

HVAC

The HVAC system is roof mounted system with individual room registers and temperature control. It is assumed to be in good working order and adequate for the building.

ELECTRICAL

The electrical system is assumed to be in good working order and adequate for the building.

PLUMBING

The plumbing system is assumed to be in good working order and adequate for the building.

PUBLIC RESTROOMS

The public restrooms (2) located on the mezzanine level appear to be high quality grade stone tiling, porcelain sinks commodes. They are regarded adequate for the property and are assumed built to local code.

LIFE SAFETY AND FIRE PROTECTION

Fire protection equipment consists of sprinklers, fire detection and monitoring and smoke alarms. It is assumed the improvements have adequate fire alarm systems, fire exits, fire extinguishers, fire escapes and/or other fire protection measures to meet local fire marshal requirements. CBRE, Inc. is not qualified to determine adequate levels of safety & fire protection, whereby it is recommended that the client/reader review available permits, etc. prior to making a business decision.

SECURITY

The property is serviced with a closed circuit digital monitoring security system that is accessible via computer monitoring and also digitally live over phone or internet connection.

PUBLIC LOBBY FACILITIES

The interior finish of the public lobby area includes stone tiling with painted textured or decorative papered walls.

PUBLIC CORRIDORS

The subject's guestrooms are accessible via double single-loaded interior hallways for each respective level. The public corridor finish is summarized with good quality carpet over concrete, high quality fabric and vinyl paper on walls with wood moldings. Lighting consists of incandescent sconce lights.

FUNCTIONAL UTILITY

The current design characteristics of the subject appear to meet modern standards. All of the floor plans are considered to feature functional layouts and the overall layout of the property is considered functional in utility. The unit mix appears functional and no conversion is warranted.

ADA COMPLIANCE

The client/reader's attention is directed to the specific limiting conditions regarding ADA compliance.

ENVIRONMENTAL ISSUES

CBRE, Inc. is not qualified to detect the existence of any potentially hazardous materials such as lead paint, asbestos, urea formaldehyde foam insulation, or other potentially hazardous construction materials on or in the improvements. The existence of such substances may affect the value of the property. For the purpose of this assignment, we have specifically assumed there are no hazardous materials that would cause a loss in value to the subject.

FURNITURE, FIXTURES & EQUIPMENT

No furniture, fixtures and equipment (FF&E) appraisal was contracted as part of this assignment. In order to estimate the value of the FF&E, we have relied upon information contained in the Marshall Valuation Service Cost Manual, comparable hotel properties and the Uniform Franchise Offering Circular (UFOC) for the subject. Based on our review of the subject, we consider its FF&E to be average to above average. Accordingly, we have estimated the total replacement cost new for the FF&E as follows.

FF&E COST ESTIMATE			
Source	Per Guest Room		
NYC Boutique Hotel			\$26,083
NYC Boutique Hotel			\$25,333
NYC Boutique Hotel			\$21,405
NYC Full Service			\$11,857
HVS* Full Service	\$23,200	- \$57,900	\$28,400
HVS* Luxury Full Service	\$37,900	- \$129,300	\$62,500
CBRE Estimate			\$40,000
Indicated FF&E Replacement Cost			\$2,560,000
Rounded			\$2,600,000
CBRE Estimate			

The subject estimate is reasonable compared to industry standards for FF&E costs.

In order to estimate the depreciated value of the FF&E, we have again relied upon the Marshall Valuation Service depreciation schedule for fixtures and equipment. In this analysis, we have assumed a typical life expectancy and effective age estimate, based upon the weighted actual age of all FF&E. As the FF&E is replaced on an ongoing basis and is considered in average condition, this methodology is considered reasonable. The resultant depreciated cost of the FF&E can be calculated as follows:

FF&E VALUE ESTIMATE			
	As Is on August 26, 2018	Prospective As Complete on August 26, 2019	Prospective As Stabilized on August 26, 2020
FF&E Effective Age (Weighted)	5 Years	0 Years	1 Years
MVS Expected Life (Weighted)	8 Years	8 Years	8 Years
FF&E Physical Depreciation	63%	0%	13%
FF&E Replacement Cost New	\$ 2,600,000	\$ 2,600,000	\$ 2,600,000
Depreciable Cost	\$ 2,600,000	\$ 2,600,000	\$ 2,600,000
Less Depreciation	\$ (1,625,000)	\$ -	\$ (325,000)
Depreciated FF&E Cost	\$ 975,000	\$ 2,600,000	\$ 2,275,000
Rounded	\$ 1,000,000	\$ 2,600,000	\$ 2,300,000
Depreciated FF&E Cost Per Guest Room	\$15,625	\$40,625	\$35,938
Compiled by CBRE			

The following chart shows the property improvement plan cost identified and their respective estimated costs to cure. We have also added entrepreneurial profit at the same rate as developed in the cost approach stemming from the requirement that an additional premium would be required by an investor due to the need to perform this work. We have also added entrepreneurial profit at a rate reflective of investor expectations stemming from the requirement that an additional premium would be required by an investor due to the need to perform this work.

ANALYSIS OF PROPERTY IMPROVEMENT PLAN COST	
PIP	\$2,600,000
Plus: Profit @ 15%	\$390,000
Total Property Improvement Plan Cost	\$2,990,000
Rounded	\$3,000,000
Source: CBRE	

The total property improvement plan cost will be deducted from each approach in order to conclude the "as is" value for the subject.

ECONOMIC AGE AND LIFE

CBRE, Inc.'s estimate of the subject improvements effective age and remaining economic life is depicted in the following chart:

ECONOMIC AGE AND LIFE	
Actual Age	91 Years
Effective Age	8 Years
MVS Expected Life	45 Years
Remaining Economic Life	37 Years
Accrued Physical Incurable Depreciation	17.8%
Compiled by CBRE	

The remaining economic life is based upon our on-site observations and a comparative analysis of typical life expectancies as published by Marshall and Swift, LLC, in the Marshall Valuation Service cost guide. While CBRE, Inc. did not observe anything to suggest a different economic life, a capital improvement program could extend the life expectancy.

CONCLUSION

The improvements are in average overall condition. Overall, there are no known factors that adversely impact the marketability of the improvements.

Zoning

The following chart summarizes the subject's zoning requirements.

NYC ZONING SUMMARY	
Zoning District	M1-6
Type	Light Manufacturing District (High Performance)
Permitted Uses	<p>These districts are designed for a wide range of manufacturing and related uses which can conform to a high level of performance standards. Manufacturing establishments of this type, within completely enclosed buildings, provide a buffer between Residence (or Commercial) Districts and other industrial uses which involve more objectionable influences. New residences are excluded from these districts, except for:</p> <p>(a) joint living-work quarters for artists in M1-5A and M1-5B Districts;</p> <p>(b) dwelling units in M1-5M and M1-6M Districts;</p> <p>(c) dwelling units in M1-1D, M1-2D, M1-3D, M1-4D and M1-5D Districts, where authorized by the City Planning Commission, both to protect residences from an undesirable environment and to ensure the reservation of adequate areas for industrial development; and</p> <p>(d) dwelling units in M1-6D Districts.</p>
Commercial FAR	10.0
Additional FAR Information	Up to 12.0 with bonus.
Source:	Zoning Text by NYC Department of City Planning

ANALYSIS AND CONCLUSION

The improvements represent a legally-nonconforming use due to an overbuilt condition relative to current zoning allowance e for the M1-6 zone. If damaged, it may be restored but may potentially require zoning and building department review and could require special permit application. Additional information may be obtained from the appropriate governmental authority. For purposes of this appraisal, CBRE has assumed the information obtained is correct.

Tax and Assessment Data

The subject property is assessed and taxed by the City of New York on an ad valorem basis. Real property in New York State is not required to be assessed at 100% of market value, but all the ratables within a taxing jurisdiction must be assessed at a consistent percentage of market value. The state legislature exempted the City of New York from this requirement. As such, NYC is permitted to classify real property by type and to assess classifications at different fractions of their market values thus the legislature permitted the taxation burden to be shared inequitably among categories of properties in this area. New York City assesses commercial property at 45% of the Assessor's Fair Market Value and in reality the Assessed Value is typically well below 45% of actual market value.

In New York City, reassessments occur annually, and local authorities phase in changes over a five-year period. During the phase-in, the annual assessed values are "transitional values". The full reassessed value is the "actual" or "target value". The first transitional value is the original assessed value plus 20% of the difference between the original and prior original value. The 20% increments are added incrementally to each prior year's transitional value until the full change in value is phased-in during the fifth year. Taxes are based on the lower of the actual or transitional assessment.

AD VALOREM TAX INFORMATION							
Block 828, Lot 25	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019
Assessors Market Value	\$8,896,408	\$9,720,000	\$12,896,000	\$12,093,000	\$18,062,000	\$19,170,000	\$19,981,000
Actual Assessment							
Land	\$900,000	\$900,000	\$900,000	\$900,000	\$900,000	\$900,000	\$900,000
Building	\$3,103,384	\$3,474,000	\$4,903,200	\$4,541,850	\$7,227,900	\$7,726,500	\$8,091,450
Total	\$4,003,384	\$4,374,000	\$5,803,200	\$5,441,850	\$8,127,900	\$8,626,500	\$8,991,450
Transitional Assessment							
Land	\$900,000	\$900,000	\$900,000	\$900,000	\$900,000	\$900,000	\$900,000
Building	\$2,984,847	\$3,103,433	\$3,507,859	\$3,819,762	\$4,647,365	\$5,574,689	\$6,490,079
Total	\$3,884,847	\$4,003,433	\$4,407,859	\$4,719,762	\$5,547,365	\$6,474,689	\$7,390,079
Tax Rate ¹ (per \$100 A.V.)	10.288	10.323	10.684	10.656	10.574	10.514	10.724
Total Taxes	\$399,673	\$413,274	\$470,936	\$502,938	\$586,578	\$680,749	\$792,533

Source: Assessor's Office

DELINQUENCY

Tax payments are current according to the New York City department of Finance records.

FUTURE TAX INCREASES

The New York City Council sets the annual tax rate for each property class based on the total amount of ratables and budget needs. The rate is typically established in June and takes effect on July 1st, however at times the rate is established or changed in the middle of the tax year, resulting 1st half and 2nd half rates.

Below is a history summary of tax rates for the City of New York:

NYC TAX RATES								
YEAR	Tax Class I		Tax Class II		Tax Class III		Tax Class IV	
	Rate	% Change	Rate	% Change	Rate	% Change	Rate	% Change
17/18	20.385%	1.97%	12.719%	-1.34%	11.891%	8.75%	10.514%	-0.57%
16/17	19.991%	2.23%	12.892%	0.07%	10.934%	1.12%	10.574%	-0.77%
15/16	19.554%	2.07%	12.883%	0.22%	10.813%	-2.80%	10.656%	-0.26%
14/15	19.157%	-0.18%	12.855%	-2.21%	11.125%	-6.53%	10.684%	3.50%
13/14	19.191%	3.35%	13.145%	-0.27%	11.902%	-4.61%	10.323%	0.34%
12/13	18.569%	2.00%	13.181%	-1.88%	12.477%	0.03%	10.288%	1.34%
11/12	18.205%	4.84%	13.433%	0.60%	12.473%	-1.25%	10.152%	-1.55%
10/11	17.364%	1.62%	13.353%	0.85%	12.631%	-0.88%	10.312%	-1.09%
09/10	17.088%	1.79%	13.241%	1.44%	12.743%	1.32%	10.426%	-1.75%
08/09 3rd/4th Qtr.	16.787%	7.57%	13.053%	7.53%	12.577%	7.51%	10.612%	7.52%
08/09 1st/2nd Qtr.	15.605%	1.11%	12.139%	1.77%	11.698%	1.05%	9.870%	-1.88%
07/08	15.434%	-4.24%	11.928%	-6.35%	11.577%	-3.58%	10.059%	-8.53%
06/07	16.118%	2.36%	12.737%	2.75%	12.007%	-2.45%	10.997%	-2.73%
05/06	15.746%	4.32%	12.396%	1.47%	12.309%	-1.94%	11.306%	-2.18%
04/05	15.094%	3.74%	12.216%	-3.20%	12.553%	1.09%	11.558%	1.11%
03/04	14.550%	2.75%	12.620%	0.82%	12.418%	-1.17%	11.431%	-1.29%
02/03 3rd/4th Qtr.	14.160%	18.63%	12.517%	18.49%	12.565%	18.46%	11.580%	18.45%
02/03 1st/2nd Qtr.	11.936%	2.82%	10.564%	-2.11%	10.607%	0.63%	9.776%	0.66%
01/02	11.609%	3.15%	10.792%	-0.51%	10.541%	0.01%	9.712%	-0.57%
00/01	11.255%	0.79%	10.847%	-0.04%	10.540%	12.15%	9.768%	-2.21%
99/00	11.167%	1.88%	10.851%	1.04%	9.398%	6.80%	9.989%	-2.41%
98/99	10.961%	1.03%	10.739%	-2.78%	8.800%	6.25%	10.236%	0.71%
97/98	10.849%	0.59%	11.046%	-0.09%	8.282%	5.64%	10.164%	-0.86%
96/97	10.785%	0.56%	11.056%	2.30%	7.840%	-1.04%	10.252%	-1.44%
95/96	10.725%	0.29%	10.807%	2.42%	7.922%	2.86%	10.402%	-1.94%
94/95	10.694%	-1.89%	10.552%	1.76%	7.702%	4.02%	10.608%	-1.08%
93/94	10.900%	0.11%	10.369%	4.63%	7.404%	-42.13%	10.724%	0.24%
92/93	10.888%	0.00%	9.910%	0.25%	12.794%	-2.21%	10.698%	0.63%
91/92	10.888%	9.76%	9.885%	7.12%	13.083%	-13.93%	10.631%	6.27%
90/91	9.920%	4.95%	9.228%	-0.01%	15.200%	17.80%	10.004%	4.87%

Source: New York City Department of Finance

Rates for Class IV properties have typically followed a gradual declining pattern with increase years historically tied to recessionary periods for the City of New York.

CONCLUSION

A summary of our concluded future tax liability and assessment phase-in at the subject property is presented in the following table.

R.E. TAXES - TRANSITIONAL ASSESSMENT PHASE-IN									
Tax Yr.	Actual Assmt.	Trans. Assmt.	2018/ 2019	2019/ 2020	2020/ 2021	2021/ 2022	2022/ 2023	2023/ 2024	2024/ 2025
2018 / 19	\$8,991,450	\$7,390,079	\$72,990	\$72,990	\$72,990	\$72,990	\$72,990		
2019 / 20	\$9,081,365	\$8,045,712		\$17,983	\$17,983	\$17,983	\$17,983	\$17,983	
2020 / 21	\$9,172,178	\$8,791,778			\$18,163	\$18,163	\$18,163	\$18,163	\$18,163
2021 / 22	\$9,263,900	\$9,018,978				\$18,344	\$18,344	\$18,344	\$18,344
2022 / 23	\$9,356,539	\$9,164,985					\$18,528	\$18,528	\$18,528
2023 / 24	\$9,450,104	\$9,256,716						\$18,713	\$18,713
2024 / 25	\$9,544,605	\$9,349,364							\$18,900
Previous Transitional			\$6,474,689	\$7,390,079	\$8,045,712	\$8,791,778	\$9,018,978	\$9,164,985	\$9,256,716
Phase In			<u>\$915,390</u>	<u>\$655,633</u>	<u>\$746,066</u>	<u>\$227,200</u>	<u>\$146,008</u>	<u>\$91,731</u>	<u>\$92,648</u>
Current Trans. Assessment			\$7,390,079	\$8,045,712	\$8,791,778	\$9,018,978	\$9,164,985	\$9,256,716	\$9,349,364
Current Actual Assessment			\$8,991,450	\$9,081,365	\$9,172,178	\$9,263,900	\$9,356,539	\$9,450,104	\$9,544,605
Taxable (min of Actual & Trans.)			\$7,390,079	\$8,045,712	\$8,791,778	\$9,018,978	\$9,164,985	\$9,256,716	\$9,349,364
Tax Rate			<u>10.940</u>	<u>11.049</u>	<u>11.160</u>	<u>11.271</u>	<u>11.384</u>	<u>11.498</u>	<u>11.613</u>
Annual Tax Liability			\$808,463	\$888,990	\$981,139	\$1,016,558	\$1,043,346	\$1,064,326	\$1,085,728
Annual % Increase			15.28%	9.96%	10.37%	3.61%	2.64%	2.01%	2.01%
CBRE/NYC Department of Finance									

For purposes of this analysis, CBRE, Inc. assumes that all taxes are current.

Market Analysis

Understanding the relationship between supply and demand is a critical component of any appraisal, particularly with respect to hotels. Unlike other property types, hotels essentially lease their rooms on a daily basis. While this characteristic allows for an immediate response to changes in market conditions, it also requires a high level of management intensity. There is an inverse relationship between occupancy and average daily rate (ADR), and raising or lowering rates typically has an immediate impact on room-nights sold. Effective management entails finding the proper balance that allows for the maximization of revenue.

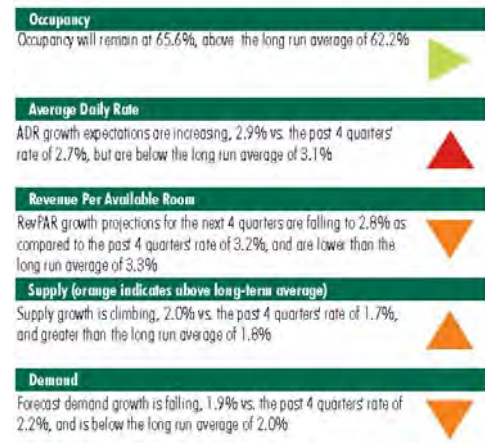
In this section we first identify the Subject property's competitive set (e.g., those hotels that tend to compete for the same sources of demand). We then identify relevant demand sources, analyze historical growth patterns and assess the potential for growth (or lack thereof) in demand by segment. The result is a projection of future market performance. Lastly, we conclude with a projection of occupancy and ADR for the Subject property, taking into consideration its competitive strengths and weaknesses relative to the overall market.

Some hotels are more directly competitive than others based on their locations, facilities, branding, etc. This disparity in the level of competitiveness can be handled in a number of ways. Some appraisers assign a percentage to each property and include only a portion of their guest rooms in the competitive set. This technique, while theoretically sound, is highly subjective and the overall analysis can be extremely sensitive to the assumptions made. Alternatively, we have chosen to address this issue through our projected penetration rates. For example, the introduction of a new property that is only marginally competitive will have a limited impact on the Subject property's penetration level, whereas a directly competitive property will likely have a substantial effect. Regardless of the method employed, properly assessing the relationship between supply and demand and its impact on the Subject property and market occupancy requires a level of professional judgment.

NATIONAL OVERVIEW

Hotel Market Summary

The U.S. lodging industry will enjoy continued growth in all major metrics in 2018, albeit at a slower pace. Based on the recently released September 2017 editions of *Hotel Horizons*[®], CBRE Hotels' Americas Research is forecasting year-over-year increases in occupancy, average daily room rate (ADR), rooms revenue (RevPAR), total operating revenue, and gross operating profits (GOP) from 2017 to 2018.



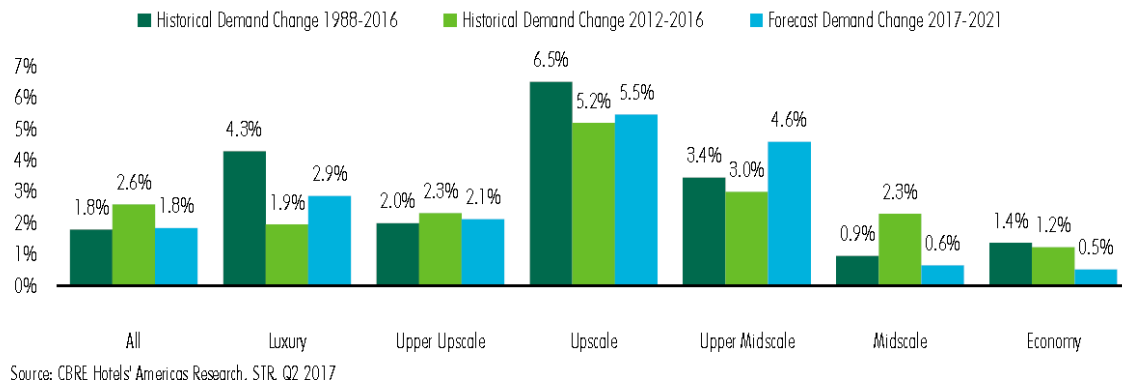
YEAR	OCC	Δ OCC	ADR	Δ ADR	REVPAR	Δ REVPAR
2012	61.4%	2.4%	\$106.02	4.2%	\$65.10	6.7%
2013	62.2%	1.4%	\$110.01	3.8%	\$68.48	5.2%
2014	64.4%	3.4%	\$115.13	4.7%	\$74.09	8.2%
2015	65.4%	1.6%	\$120.33	4.5%	\$78.66	6.2%
2016	65.4%	0.1%	\$124.07	3.1%	\$81.16	3.2%
2017F	65.6%	0.3%	\$127.16	2.5%	\$83.44	2.8%
2018F	65.7%	0.1%	\$130.11	2.3%	\$85.43	2.4%
2019F	65.2%	-0.7%	\$132.58	1.9%	\$86.46	1.2%
2020F	64.8%	-0.7%	\$134.97	1.8%	\$87.40	1.1%
2021F	65.4%	1.0%	\$138.48	2.6%	\$90.59	3.6%

Source: CBRE Hotels' Americas Research, STR, Q2 2017.

CBRE is forecasting a 0.1 percent occupancy increase along with a 2.3 percent rise in ADR for 2018. The net result is a projected 2.4 percent boost to RevPAR. "The limited growth rates may be disappointing or even troubling for some industry participants. However, 2018 will mark the ninth consecutive year of rising occupancy, something we have not seen since the 1990s. While the slow

growth in occupancy does indicate we are at the top of the business cycle, all factors indicate that we are in the midst of a record breaking, sustained period of prosperity for U.S. hotels," Woodworth said. "Like occupancy, CBRE also is projecting a ninth consecutive year of growth in RevPAR, total operating revenue, and GOP in 2018."

CBRE also has identified an uptick in new lodging supply. For 2018, CBRE is forecasting a 2.0 percent increase in the number of available rooms. This does exceed the 1.8 percent long-run average annual rate of supply growth as reported by STR. "Historically, we have seen rising supply precede industry downturns. Fortunately, as has been demonstrated for several years now, the economic factors that matter most for hotel demand growth exceeded the changes in supply," said John B. (Jack) Corgel, Ph.D., professor of real estate at the Cornell University School of Hotel Administration and senior advisor to CBRE Hotels' Americas Research. "Looking forward, employment levels and income gains are expected and remain attractive. These movements will result in growing levels of demand and occupancy to counter balance supply growth."



Investment Activity

According to Real Capital Analytics Q3 17 US Capital Trends – Hotel report, “The hotel sector is the laggard for the year-to-date, with the sharpest decline in deal volume across major property types.” A number of highlights as published are provided below:

- For year-to-date figures ending September, overall sales volume is down roughly 20 percent on sales of \$20b.
- The decline in hotel deal activity is largely a story about the pullback in the full-service segments. Deal volume was down 58 percent YOY in Q3’ 17 due in part of the Anbang deal a year prior, but that one deal is not the only issue at play. For the year-to-date, full service hotel investment is down 33%. Single asset sales, not just megadeals, fell in the full-service segments.
- To the extent there was growth in Q3’ 17 it was in the limited service segments. Deal volume was up 19% YOY in Q3’ 17 and up 17% for the year-to-date. Megadeal volume was up 206% YOY with the largest deal involving the 138 million purchase of a portfolio of 14 hotels by Hospitality Properties Trust from Blackstone. The sale of individual assets was relatively unchanged from a year earlier.
- Hotel cap rates have been trending up over the past two years due in part to changes in the quality of what is transacting. The average hotel sold at the end of 2013 for instance had 158 rooms versus an average of only 137 rooms sold in Q3’ 17.
- The perennial top market in these rankings is Manhattan but the market has slipped to the #3 position for deal activity over the year-to-date. The market is just a hair below Atlanta in the rankings, a market which normally holds a position closer to the low teens.
- Los Angeles has assumed the top position for the year-to-date but there is no one grand slam of a megadeal driving this activity. The \$1.5b in deal volume achieved was largely from single asset sales: The largest deal came in at \$256m. The largest deal in Manhattan was even smaller at \$200m.

Investment Rates

Investment rate data from the latest Real Estate Investor Surveys published by PWC (formerly Korpacz), RERC, and CBRE Hotels for luxury, full service, limited service and extended stay properties are illustrated in the following table:

HOTEL INVESTOR SURVEY DATA						
Source/Type	Discount Rate		Overall Cap Rate		Terminal Cap Rate	
	Range	Average	Range	Average	Range	Average
<i>RERC (2nd Qtr. 2017)</i>						
Hotels	9.00% - 10.00%	9.60%	7.50% - 8.00%	7.80%	8.00% - 9.00%	8.50%
<i>CBRE Hotels (1st Half 2017 - CBD)</i>						
Economy				9.19%		
Full Service				7.70%		
Luxury				6.98%		
Select Service				7.70%		
<i>PwC Survey: (3rd Qtr. 2017)</i>						
Luxury	6.50% - 12.00%	9.53%	4.00% - 9.00%	7.03%	5.50% - 9.50%	7.18%
Full Service	8.00% - 13.00%	10.19%	6.00% - 10.00%	7.85%	7.00% - 10.00%	8.44%
Limited Service	8.50% - 13.00%	11.00%	7.75% - 11.00%	9.08%	7.75% - 11.00%	9.83%
Select Service	8.00% - 12.00%	10.20%	6.50% - 10.00%	8.70%	7.00% - 10.75%	9.08%
Compiled by: CBRE						

The PwC survey stated that the “as uncertainty weighs on the economy, softening lodging demand industry growth is expected to continue.” This translated to slight upticks capitalization for three of segments compared to the 1st Qtr. The limited service, luxury, and select service segments were up 2, 3, and 10 basis points respectively. The full-service sector was the only one that witnessed a decrease, dropping by 5 basis points. RERC reports cap rates have increased 20 basis points since 1st Qtr of 2017 while discount rates have decreased 30 basis points.

CONCLUSION

Occupancy figures will remain above the long-term average for the foreseeable future. As new supply continues grow, however, RevPAR increases will be muted compared to the most recent quarters. The decelerating growth will present some challenges for some hoteliers. Overall transaction activity for the three quarters of 2017 was down roughly 20 percent while capitalization rates are trending upwards. Despite these challenges, skilled hotel operators and their ability to control costs will enable continued profit growth through the remainder of the year and into 2018. While the outlook beyond that is a little murkier, there are still plenty of national and international investors who are eager to place capital into well-established and emerging markets.

NEW YORK AREA HOTEL MARKET ANALYSIS

Hotel Horizons

Hotel Horizons® is a series of econometrically derived reports prepared on a quarterly basis that analyzes the historical and expected performance of 59 major U.S. lodging markets, as well as our national summary report of the entire U.S. lodging industry. Hotel Horizons® reports contain five years of forecast data and five years of historical market performance information. A variety of economic, demographic, and other benchmarking statistics appear in the reports to provide the reader with a deeper understanding of local market conditions.

PKF Hospitality Research, A CBRE Company (PKF-HR), prepares hotel market forecasts based on accepted econometric procedures and sound judgment. The product name for the PKF-HR forecasts is Hotel Horizons®. The two-stage process for producing the forecasts firstly involves econometric estimation of future hotel market activity and financial performance based on historical relationships between economic and hotel market variables, and secondly, a judgmental review of modeled outputs by experienced hotel market analysts. The hotel industry expertise of PKF dates back to the 1930s. PKF-HR and others believe that errors in forecasting are minimized by relying on both data analytics and judgment.

Econometric forecasting represents one of the most sophisticated approaches to gaining insight into future economic activity. Unlike some forecasting methods used in business practice, the models that underlie econometric forecasts contain variables based in economic theory. The forecasts come from historical relationships, similar to statistical correlations, among hotel market measures and economic variables. The measures for the variables come from actual market transactions involving individuals and firms interacting in the economy.

Gaining insight into the futures of complicated economic environments requires the introduction of multi-level forecasting models. Several equations often need to be identified and estimated to model complex economic conditions such as the national economy. Multi-equation models have considerable appeal for economic forecasting because they explicitly recognize the interdependence of relationships commonly encountered in markets. Perhaps the best example of this type of model is one that involves both the demand side and the supply side of markets, in which prices of goods are set by the interaction of buyers and sellers. Thus, price appears as a variable in both the demand and supply equations.

A committee of hotel experts from PKF-HR and CBRE Hotels performs a thorough review of each model prediction. These assessments are made by locally-based hotel experts working in the various offices around the U.S. The quarterly forecasts for the current and forecast period years are subject to review. The committee modifies the model's market prediction when there is compelling evidence that factors have come into play that the model could not possibly foresee. A Super Bowl-type event, as an extreme example, would cause the committee's forecast to differ noticeably from the model's prediction—not only in the city in which the event will occur, but also competing cities within the region. In most instances, however, the committee either defers to the model prediction or makes modest adjustments.

According to Hotel Horizons®, the hotel outlook for all chain-affiliated properties in the New York lodging market is shown below, and includes both the full- and limited-service segments. As indicated below for all tiers, the local market trends have trended lower which is primarily due to the added supply that has come to the New York City metropolitan area increasing by about 20% in the period surveyed.

NEW YORK AREA HOTEL OUTLOOK

- Total Market -

Year	Occupancy	ADR		RevPAR		Supply		Demand	
		\$ Amount	% Change	\$ Amount	% Change	\$ Amount	% Change	\$ Amount	% Change
2013	85.7%	\$265.73	-	\$227.68	-	97,619	-	83,643	-
2014	85.6%	\$270.93	2.0%	\$232.03	1.9%	103,437	6.0%	88,583	5.9%
2015	85.2%	\$265.43	-2.0%	\$226.23	-2.5%	106,738	3.2%	90,978	2.7%
2016	85.7%	\$258.80	-2.5%	\$221.89	-1.9%	112,274	5.2%	96,263	5.8%
2017	86.7%	\$255.28	-1.4%	\$221.27	-0.3%	116,752	4.0%	101,197	5.1%
Forecast 2018	86.7%	\$254.33	-0.4%	\$220.56	-0.3%	123,230	5.5%	106,866	5.6%
Forecast 2019	87.2%	\$255.29	0.4%	\$222.68	1.0%	129,137	4.8%	112,642	5.4%
Forecast 2020	87.4%	\$259.88	1.8%	\$227.06	2.0%	133,694	3.5%	116,807	3.7%
Forecast 2021	87.3%	\$265.18	2.0%	\$231.40	1.9%	138,010	3.2%	120,430	3.1%
Forecast 2022	87.1%	\$271.56	2.4%	\$236.45	2.2%	142,216	3.0%	123,827	2.8%

Source: CBRE Hotel Horizons, 4th Quarter, 2017

According to Hotel Horizons®, the hotel outlook for Upper tier properties in the New York lodging market is shown below.

NEW YORK AREA HOTEL OUTLOOK

- All Upper Tier Properties

Year	Occupancy	ADR		RevPAR		Supply		Demand	
		\$ Amount	% Change	\$ Amount	% Change	\$ Amount	% Change	\$ Amount	% Change
2013	86.0%	\$307.32	3.5%	\$264.26	3.8%	64,921	-	55,747	-
2014	86.4%	\$311.64	1.4%	\$269.27	1.9%	69,276	6.7%	59,886	7.4%
2015	85.6%	\$304.82	-2.2%	\$260.88	-3.1%	71,194	2.8%	60,961	1.8%
2016	85.8%	\$295.40	-3.1%	\$253.37	-2.9%	75,314	5.8%	64,581	5.9%
2017	86.5%	\$288.91	-2.2%	\$250.01	-1.3%	78,338	4.0%	67,792	5.0%
Forecast 2018	86.9%	\$287.58	-0.5%	\$249.89	0.0%	81,968	4.6%	71,226	5.1%
Forecast 2019	87.3%	\$288.22	0.2%	\$251.58	0.7%	85,651	4.5%	74,762	5.0%
Forecast 2020	87.3%	\$291.95	1.3%	\$254.88	1.3%	88,480	3.3%	77,247	3.3%
Forecast 2021	87.0%	\$297.54	1.9%	\$258.82	1.5%	91,108	3.0%	79,252	2.6%
Forecast 2022	86.4%	\$303.32	1.9%	\$262.03	1.2%	93,648	2.8%	80,900	2.1%

Source: CBRE Hotel Horizons, 4th Quarter, 2017

According to Hotel Horizons®, the hotel outlook for Lower tier properties in the New York lodging market is shown below.

NEW YORK AREA HOTEL OUTLOOK

All Lower Tier Properties

Year	Occupancy	ADR		RevPAR		Supply		Demand	
		\$ Amount	% Change	\$ Amount	% Change	\$ Amount	% Change	\$ Amount	% Change
2013	85.3%	\$185.40	-	\$158.18	-	32,698	-	27,896	-
2014	84.0%	\$188.17	1.5%	\$158.07	-0.1%	34,162	4.5%	28,698	2.9%
2015	84.4%	\$187.22	-0.5%	\$158.11	0.0%	35,545	4.0%	30,017	4.6%
2016	85.7%	\$185.34	-1.0%	\$158.87	0.5%	36,961	4.0%	31,682	5.5%
2017	87.0%	\$187.03	0.9%	\$162.65	2.4%	38,414	3.9%	33,406	5.4%
Forecast 2018	86.4%	\$187.88	0.5%	\$162.29	-0.2%	41,262	7.4%	35,641	6.7%
Forecast 2019	87.1%	\$190.29	1.3%	\$165.76	2.1%	43,486	5.4%	37,880	6.3%
Forecast 2020	87.5%	\$197.28	3.7%	\$172.61	4.1%	45,214	4.0%	39,561	4.4%
Forecast 2021	87.8%	\$202.89	2.8%	\$178.13	3.2%	46,902	3.7%	41,179	4.1%
Forecast 2022	88.4%	\$211.71	4.3%	\$187.12	5.0%	48,567	3.6%	42,927	4.2%

Source: CBRE Hotel Horizons, 4th Quarter, 2017

As seen in the above charting for all market tiers, there has been a significant increase on the supply side of the market in the past four years while demand has not kept pace and thus the total market has seen a decline in occupancy, and moderate leveling and even decline in ADR pricing YOY. Demand has shown increases which bodes well for the area, yet it has lagged the supply side, except in the lower tier. In 2017, the lower tier properties illustrated growth in demand that outpaced supply for the third year in a row and this tier demand has illustrated higher occupancy followed by higher pricing in 2017. RevPAR has increased in each of the last three years in the lower tiers however.

NEW YORK CITY HOTEL MARKET ANALYSIS

New York City boasts a wealth of hostelry demand generators across all demand segments. As the financial and cultural capital of the world as well as a premier tourism destination, the Manhattan (and the outer boroughs of New York City) hotel market is and has been one of the strongest hotel markets in the world.

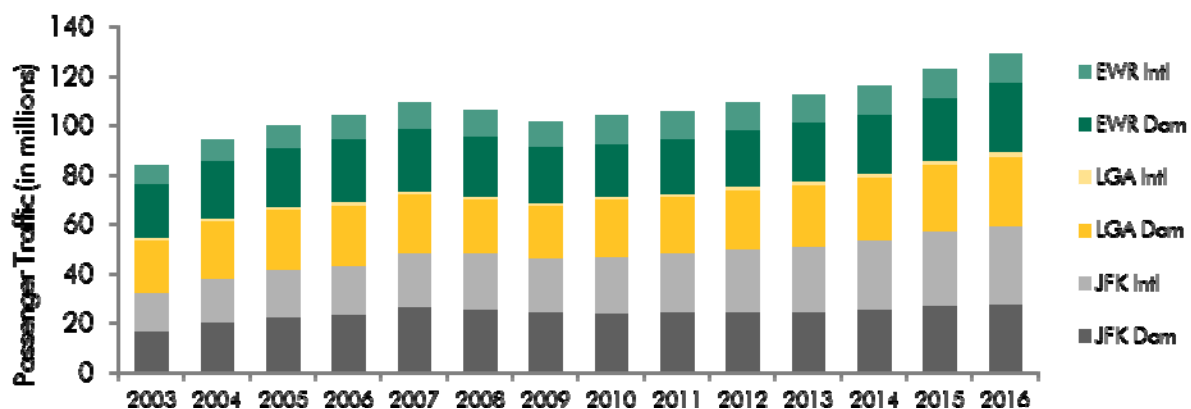
DEMAND DRIVERS

The success of the New York City hotel market is a function of its vast supply of robust, high-end corporate, leisure, and meeting and group demand generators. New York City benefits from both domestic and international leisure and business travel from all around the world; it maintains arguably the strongest corporate demand base of any hotel market; and is also home to some of the largest, most storied event venues.

Air Traffic

The chart below illustrates passenger traffic trends over the last 14 years for the three major airports servicing the Tri-state area; the LaGuardia, John F. Kennedy and Newark International Airports.

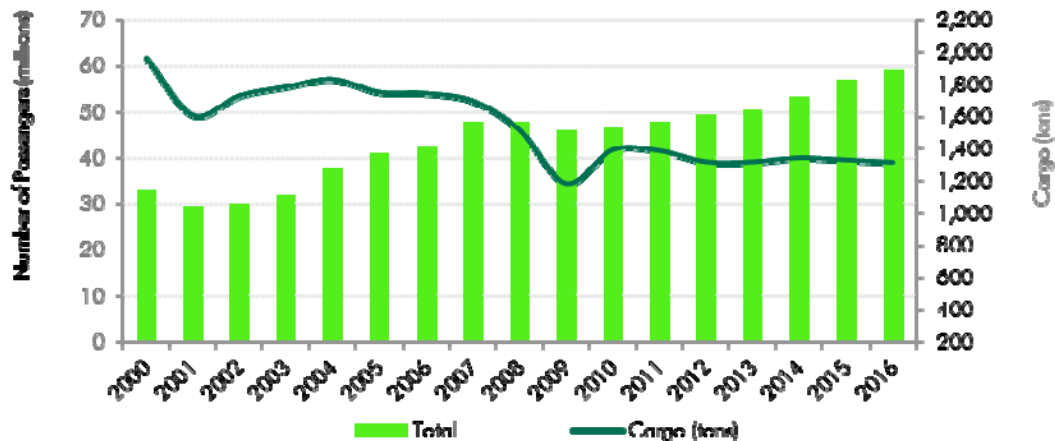
OVERALL NEW YORK CITY MAJOR AIRPORT TRAVEL STATISTICS



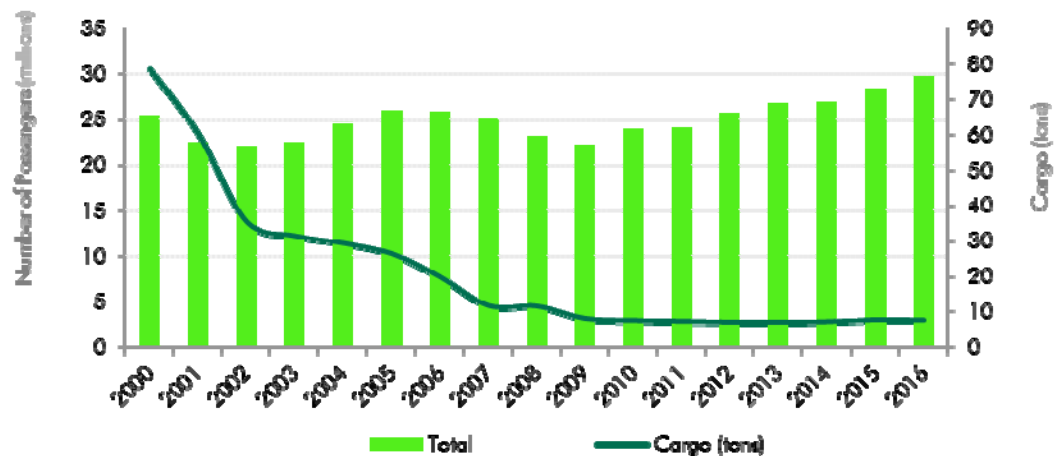
Source: Port Authority of New York & New Jersey

As per the most recent information compiled by the Port Authority, the John F. Kennedy airport facilitated the greatest volume of travelers with approximately 58.96 million passengers, both domestic and international. It can be noticed that the John F. Kennedy and Newark International airport handle the majority of international flights but all three airports handle a fairly equal balance of domestic flights. Passenger traffic has consistently increased since slumping in 2009 at all three major airports.

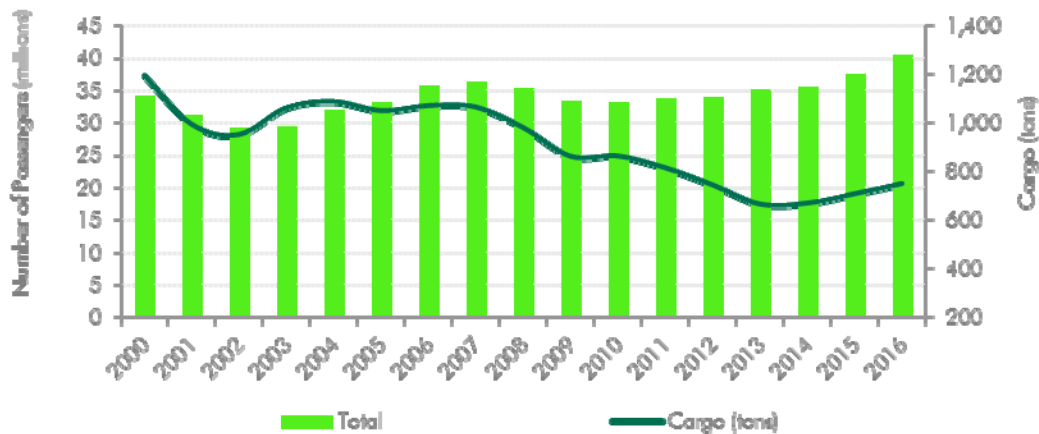
JF KENNEDY AIR TRAFFIC AND CARGO STATISTICS



LAGUARDIA AIR TRAFFIC AND CARGO STATISTICS



NEWARK AIR TRAFFIC AND CARGO STATISTICS

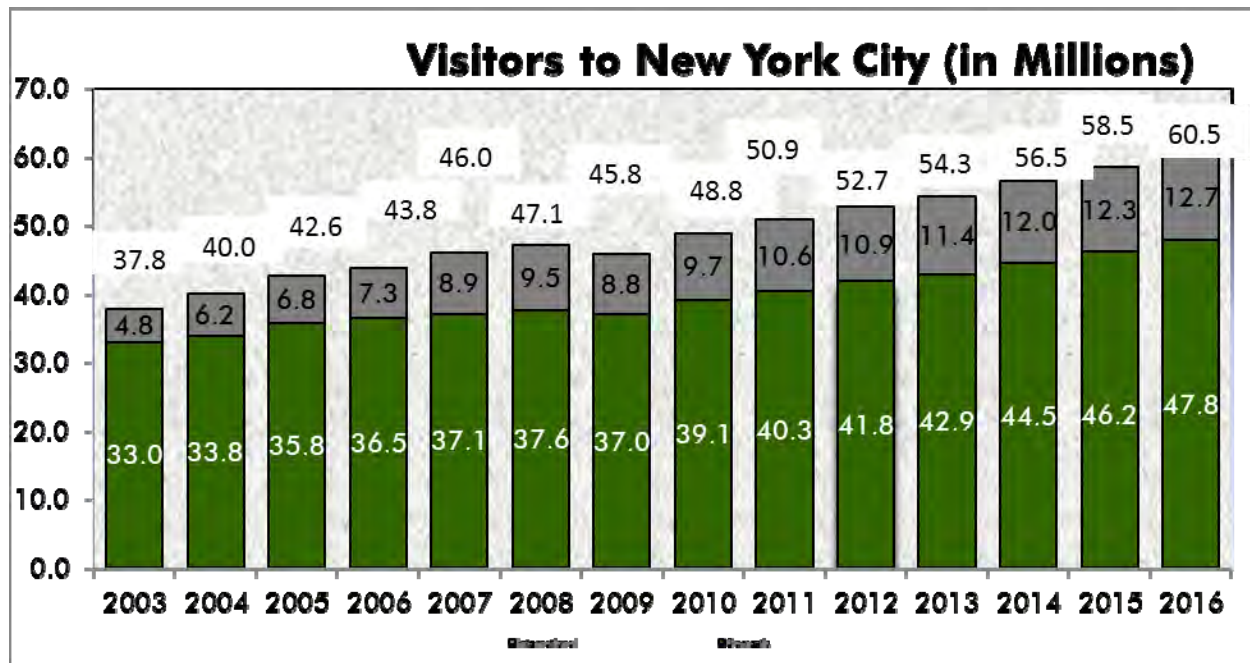


Source: Port Authority of New York & New Jersey

The charts illustrate how each of the New York/New Jersey airports have shown increased passenger air traffic, although the New York airports illustrate a greater increase which is due primarily to the capacity issues at Newark. Both JFK and LaGuardia have seen more substantive increases in the last five years compared to its New Jersey counterpart. In terms of freight, Newark and La Guardia airports are showing a decline in cargo shipments which is due to the high expense of air cargo and increased port, rail and trucking cargo into and supporting the tri-state area.

Tourism

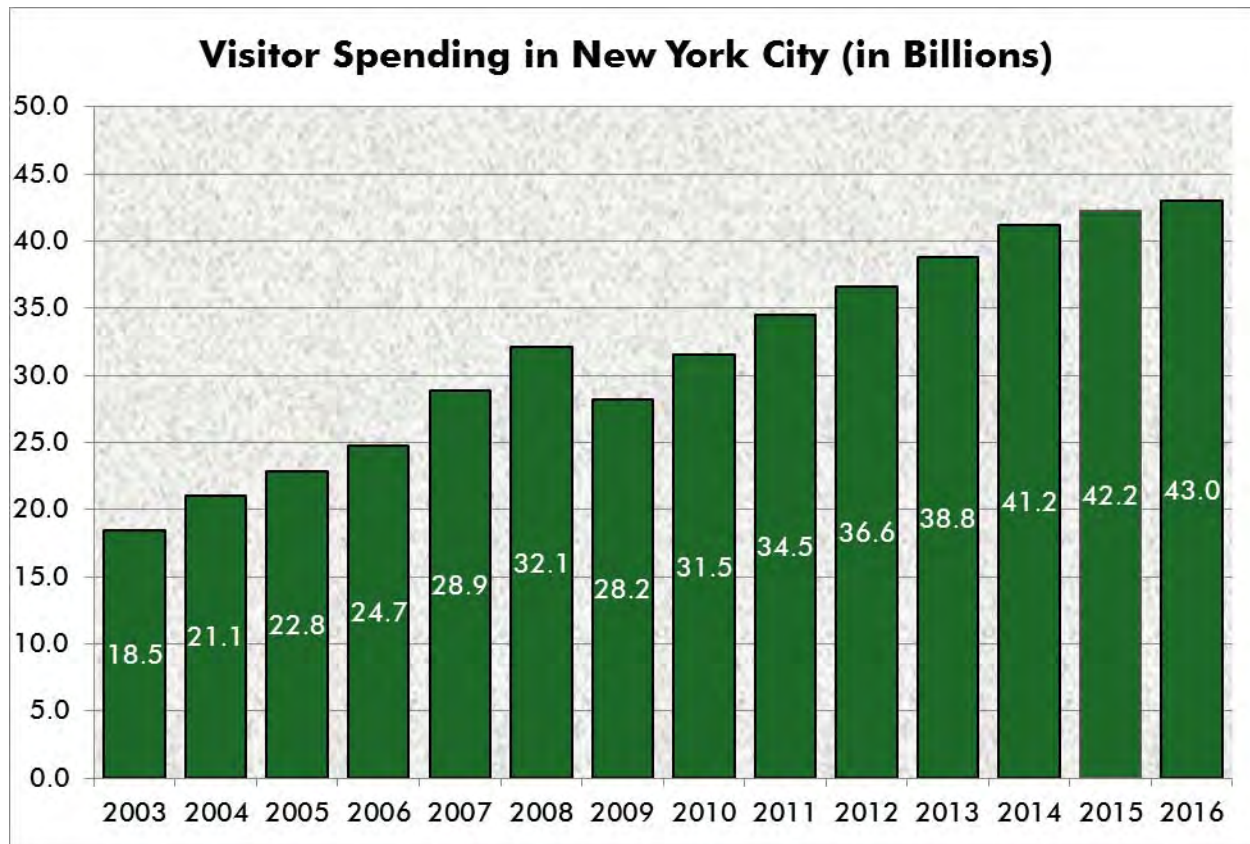
Further adding to New York City's tourism bottom line has been the continued influx of visitors, both foreign and domestic to the city. As depicted below, New York saw record numbers in 2016 and marks the eighth year in a row of constant increases in the number of visitors; a trend forecast to continue through 2019. The graph below serves to underscore the vitality and growth that New York City tourism has experienced since 2003.



Source: NYC & Co.

As can be seen from the chart above, New York City welcomed a record 60.5 million visitors in 2016, a new all-time high and a 3.4 percent increase over 2015. It is projected that 2017 is on pace to receive 61.8 million visitors. Visitors to the city generated an estimated \$64.3 billion in economic impact and \$43.0 billion in spending to the city's economy, another record according to the Mayor's Office and NYC & Co. New York City continues to be the premier United States travel destination. In 2016, New York City welcomed an estimated 47.8 million domestic visitors and 12.7 million international visitors. In addition, 375,250 total NYC jobs were supported by visitor spending in 2015, and \$11.5 billion in local tax revenue was generated as a result of travel and tourism in 2016. According to NYC & Co., average hotel occupancy remained near the all-time high in New York City in 2016, as average hotel occupancy reached 88%, down slightly from the 2014 record high of 89.4%. In the tourism industry, average annual earnings were greater than \$52,000 – roughly \$7,000 more a year than average earnings in the entire local economy.

The increase in visitors to New York City has fueled significant spending. As demonstrated in the graph below, visitor spending continued to rise year over year in 2016.



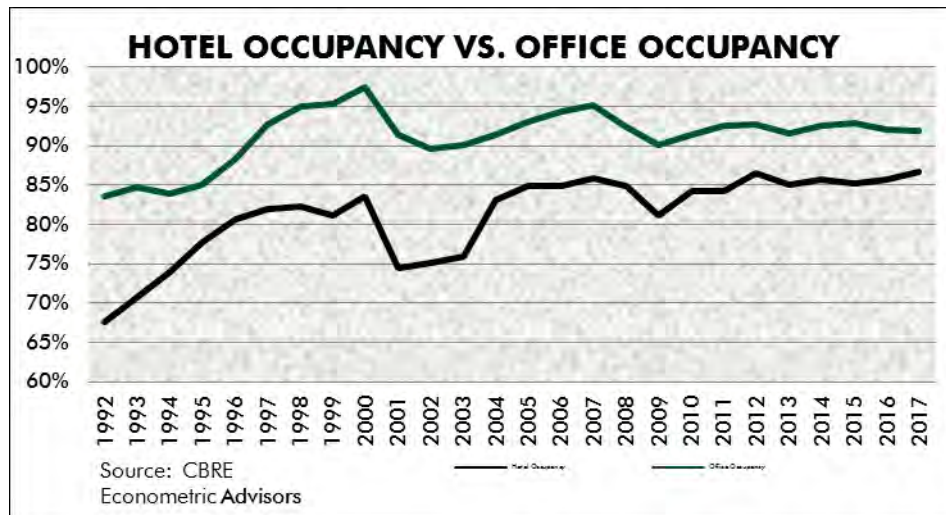
Source: NYC & Co.

According to NYC and Co., New York City is the most popular destination for international visitors in the United States. New York City has maintained its rank as the number one U.S. destination for overseas travelers, as well as its status as the number one destination in tourism spending in the U.S. throughout 2016 and several years prior.

The aforementioned demand generators are only the tip of the iceberg when considering the diverse supply of New York City demand generators for hotels. Not mentioned in detail are major attractions such as Central Park, Times Square, the Statue of Liberty, luxury shopping on 5th and Madison Avenues, Ellis Island, the New York Botanical Garden and the Empire State Building among many others. The World Trade Center is one of the city's newest and largest tourist attractions, attracting millions to the site annually. The City's wealth of demand generators is what has established it as the number one tourist destination and will support a robust hotel market in the near and long term.

Office Market

Given business travel accounts for a substantial portion of the overall demand base for New York City hotels, the health of the New York City hotel market is directly tied to the success of the New York City office market. In order to illustrate this relationship, we have compared the historical city-wide occupancy percentages for the Manhattan office and hotel markets dating back to 1992.



The chart above illustrates the close correlation between hotel occupancy and office occupancy. As the office markets flourish, same is said for the hospitality market and vice versa. Noted peaks are seen during strong economic periods including the late 1990's when the economy recovered from the deep recession at the beginning of that decade triggered by the Savings & Loan financial crisis. Both office and hotel occupancy retracted in early 2000's coinciding with the dot.com bubble that put economic stress on markets. Following that downturn, the office market rose to peak levels and the hospitality market performance followed until the financial crisis and the Great Recession occurred in 2008/2009. Since 2010, the overall economy has gained momentum, the office markets showed stability and then strength, and hospitality has followed suit. As a barometer of hospitality performance we have looked at the overall office market performance as it relates to future hospitality performance.

Manhattan Office Market

A second quarter of 2018 summary of the Manhattan office market is presented on the following table.

NEW YORK CITY OFFICE MARKET OVERVIEW - 2nd QUARTER 2018

Submarket	# of Bldgs	Inventory (SF)	Avg Asking Rent/SF	Vacancy Rate	Availability Rate	YTD Annual Absorption	YTD Annual Lease Activity
MIDTOWN							
Park Avenue	37	29,689,876	\$81.73	8.00%	10.10%	527,416	1,040,594
5th/Madison Ave	28	12,116,872	\$90.71	8.20%	11.60%	272,238	585,621
East Side	45	21,260,617	\$70.19	5.90%	12.80%	(425,182)	857,233
6th/Rock Cntr.	45	45,774,104	\$85.20	5.50%	9.60%	199,701	1,949,093
TimesSquare/West Side	43	31,916,253	\$77.57	6.00%	9.00%	(161,509)	666,372
Times Square South	44	18,483,087	\$60.77	6.80%	12.30%	56,486	861,794
Grand Central	84	44,882,965	\$68.59	9.20%	13.10%	78,593	1,965,659
Plaza District	24	11,850,021	\$111.87	13.40%	15.90%	(208,793)	316,775
Penn Station	32	27,011,663	\$66.40	6.00%	11.10%	(1,395,511)	1,260,633
Total Midtown Market	382	242,985,458	\$77.13	7.30%	11.30%	(1,056,561)	9,503,774
MIDTOWN-SOUTH							
Chelsea	55	16,479,040	\$86.24	10.90%	14.50%	(262,521)	367,773
Flatiron	60	11,493,186	\$76.13	3.80%	7.80%	112,924	630,172
Park South/Madison Sq.	58	19,818,732	\$69.21	5.60%	8.60%	(151,944)	551,758
Union Square	29	4,613,746	\$67.86	2.70%	5.00%	76,366	526,672
Noho/Soho	50	7,729,461	\$84.95	5.60%	9.60%	79,920	707,626
Hudson Square/TriBeCa	35	15,708,729	\$77.33	5.50%	13.80%	(571,651)	370,717
Total Midtown South	287	75,842,894	\$78.36	6.30%	10.70%	(716,906)	3,154,718
DOWNTOWN							
Financial	79	55,528,562	\$56.99	9.00%	14.20%	(690,197)	1,446,671
City Hall	30	13,101,796	\$49.11	4.90%	7.40%	(44,293)	289,690
Downtown West	10	20,043,863	\$72.50	14.80%	18.70%	105,374	960,284
Total Downtown	119	88,674,221	\$60.99	9.70%	14.20%	(629,116)	2,696,645
Overall Manhattan	788	407,502,573	\$72.20	7.60%	11.80%	(2,402,583)	15,355,137



The NYC office market as tracked by CBRE contains approximately 407.5 million square feet of rentable area within 788 buildings. The current overall average asking rent in Manhattan is \$72.20/SF with a current availability rate of 11.80%, and a vacancy rate of 7.60%.

The current health of the office market is illustrative of the health of the hotel market and as of 2Q2018, most sub-districts are attaining near historical high average rent levels with stability and strong performance and high occupancy levels in most sub-districts. Further, as the national and regional economies continue to improve, the office markets will follow suit which is a fundamental market demand generator within New York City.

The Midtown South office market is popular among the TAMI sector (technology, advertising, media and information) including Google (now Alphabet), Facebook, We Work, One King's Lane, and Argo Group. TAMI companies remained active this quarter, accounting for 34% of all leasing activity.

The Jacob Javits Center

New York City has always been a mainstay for large events such as international conventions, trade shows and exhibitions. Such events draw large crowds and travelers from all over the world. The Javits Center is New York City's primary convention and exhibition center. The center's 840,000 gross square feet of exhibition space can be divided into ten Summary halls. In the summer of 2010, the Javits Center gained additional space with the construction of a

110,000 square foot pre-engineered structure known as Javits Center North. Additional renovations to the main building were completed in 2014 and included replacing the roof of the main building, enhancing curtain walls and skylights, enlarging and reconfiguring the main entrances and replacing/upgrading building systems. In addition, an environmentally green roof was installed that is the largest in the Northeast.

On January 7, 2016, New York Governor Andrew M. Cuomo unveiled an epic \$1 billion expansion of the Javits Center. The proposed expansion will be constructed on the north end of the property, providing new spaces such as new prime exhibit space that will create 500,000 square feet of contiguous space on Level 3, new state-of-the-art meeting room and ballroom space, rooftop terrace and pavilion accommodating 1,500 guests for outdoor events, an expanded green roof area, new kitchen and food service areas, and back-of-house and administrative space.

While the mix of shows and events change with each calendar year, Javits hosted approximately 115 major trade shows and conventions and 14 public shows in 2015. Attendance topped 2.2 million in 2015 with convention delegates having an economic impact of more than \$1.833 billion annually and contributing more than 478,000 hotel room nights to New York. The chart below illustrates the revenues generated from space rentals and event related services at the Javits Center over the past 9 years:

JACOB JAVITS CENTER STATISTICS		
Year Ending March 31	Revenue From Space Rentals and Event Related Services	% Change
2008	\$136,369,609	--
2009	\$134,841,359	-1.12%
2010	\$103,383,690	-23.33%
2011	\$115,127,535	11.36%
2012	\$117,170,123	1.77%
2013	\$118,895,538	1.47%
2014	\$146,339,549	23.08%
2015	\$169,986,701	16.16%
2016	\$190,958,369	12.34%

Source: Jacob Javits Center; Compiled by CBRE

It is noted that revenue increased sharply in 2014 returning to pre-recession levels.

MAJOR EVENT AND ENTERTAINMENT FACILITIES

Event and Entertainment venues are prolific and are some of the strongest demand generators attracting visitors into New York City area.

Citifield

Citifield is the home of the New York Mets, the professional baseball franchise of Major League Baseball. The field was built in 2009 replacing former Shea Stadium in Flushing Meadows Corona Park. The stadium seats 41,922 and has a capacity of 45,000 with standing room. With

80 plus home games per year, the Mets draw and sell over 2,000,000 tickets per year. Citifield also is used for college baseball. St. Johns University has numerous games held at the stadium each year. In fact, the stadium opened in May 2009 with a St. John's baseball game as St. John's hosted Georgetown. In addition to sporting event, the stadium has hosted live concerts including Paul McCartney and The Dave Mathews Band among a few. In 2015 the Mets made it to the World Series and hosted 3 games at Citifield, but ultimately lost to the Kansas City Royals.

Yankee Stadium

Yankee Stadium is the home of the New York Yankees, the professional baseball franchise of Major League Baseball. The field was built and opened in 2009, replacing the former Yankee Stadium which was located adjacent to the current stadium in what is now parkland. The new stadium was formerly parkland. The stadium seats 50,287 and has a capacity of ~55,000 when considering standing room. The stadium cost roundly \$1.5 billion to build. Other events hosted at the venue include concerts, soccer matches (home of the New York City FC professional Major League Soccer expansion franchise), and the NCAA Pinstripe Bowl.

USTA Billie Jean King National Tennis Center

The USTA Billie Jean King National Tennis Center is home to the US Open Grand Slam tennis tournament played annually in the late summer months. The facility has a total of 33 tennis courts including three stadiums that are considered largest tennis stadiums in the world. The largest stadium, Arthur Ashe Stadium, has a capacity of 23,200. The Tennis Center is located adjacent to Citi Field, and offers access to Manhattan via the LIRR and subway. A multi-year \$550 million renovation has been going on at this facility. The enhancements include an additional tennis stadium and a retractable roof over the main tennis court. The transformation will be implemented in three phases, with the goal of overall completion by the 2018 US Open. The completion of the retractable roof for Arthur Ashe Stadium is scheduled for August 2017.

RACETRACKS

Aqueduct Race Track and Racino

For horse racing fans and gamblers alike, Queens and adjacent Nassau County hosts two professional racetracks, Aqueduct (Queens) and Belmont (Nassau). Aqueduct, opened in 1894 and was named for the adjacent waterworks aqueduct that brought water to the area at the time. It has 2 main racing tracks and a straightaway track allowing for multitude of racing. Having gone through modest upgrades over the years, the most recent was the addition of the Racino. As described earlier, the Racino is a video lottery betting casino with 5,500 video games, sports club and numerous eateries. In addition, during summer of 2016 the head of a Queens casino proposed a \$400 million expansion to the facility that would include a new hotel and convention complex. The expansion would add 750,000 square feet to the complex, which would include a 400-key hotel, a 20,000-square-foot spa and resort and 140,000 square feet of convention space.

Belmont

For horse racing enthusiasts, Belmont is near second to none. Located at the eastern boundary of Queens in Elmont, it hosts the third leg of the Triple Crown, the Belmont Stakes. Belmont first opened on May 4, 1905. It's largest event of the year is the Belmont Stakes and it largest single draw was over 120,000 in ticket sales for the triple crown race in 2004 when Smarty Jones raced for the Triple Crown title, but was upset. The track is open nearly 6 months of the year.

OTHER VENUES & MAJOR ATTACIONS

NY 5000

The Hilton New York and Sheraton hotels located on 7th Avenue between 52nd and 53rd Street combine to form NY 5000, a convention complex consisting of 5,000 guestrooms, 100 meeting rooms and a total of 225,000 square feet of meeting space all located within the span of one block. The convention complex also offers five restaurants, three complete fitness centers and a heated indoor pool.

Piers 92/94

Piers 92/94 is located on the West Side Highway at 55th Street and has hosted dozens of leading trade shows, consumer shows and conventions. With established prestige in the New York convention and special event landscape, Piers 92/94 offers a convenient location with more than 208,000 square feet of exhibit area. Renowned shows that have made Piers 92/94 home include The Armory Show, New York International Bridal Week and the Architectural Digest Home Design Show produced by MMPI, The Pier Antiques Show produced by Stella Show Management, and the New York International Gift Fair produced by GLM, among others.

Madison Square Garden

"The world's most famous arena" hosts approximately 320 events per year. It is home to three professional sports teams, select college-level sporting events as well as some of the world's most famous musical events. The Garden is capable of seating up to 20,000 people and features 20,976 square feet of arena floor space. Its size and location also make it a viable setting for meetings, galas, expos, television shows, corporate events, benefits, awards ceremonies and private parties. Presently the Garden is undergoing a significant renovation and expectations are for the renovation to bring it decades into the future.

World Trade Center

The World Trade Center site is expected to be one of the City's largest tourist attractions, attracting millions to the site annually. According to the Downtown Alliance, Lower Manhattan had record year attracting 14.8 million visitors to its major museums, events and attractions in 2016, up 5% from 2015. According to TripAdvisor, the Memorial was named the "most trending" attraction spurring a 425 percent spike in traveler interest in visiting the destination. The Statue of Liberty and Ellis Island attracted 4.5 million visitors in 2015, the highest number of visitors the landmarks have ever seen. The 800,000-square-foot, Santiago Calatrava-designed

World Trade Center Transportation Hub, also known as the “Oculus” officially opened in early March 2016. The transportation hub serves 250,00 Port Authority Trans-Hudson (PATH) daily commuters and millions of annual visitors from around the world. The hub is also the third largest transportation center in New York City. In addition, Westfield World Trade Center mall made its debut in August 2016, with 100 stores and restaurants, located in Oculus and at the base of the 3 and 4 world trade center buildings.

By the end of 2016, hotel inventory reached nearly 6,560 hotel rooms throughout lower Manhattan. A nearly 35% increase in two years. While Lower Manhattan makes up a smaller piece of New York City’s total hotel inventory of 109,000 hotel rooms, nearly ten percent of hotel rooms under construction in all of New York City are in Lower Manhattan.

Broadway

The 2015/2016 season brought increased attendance and revenue compared to the prior year which is indicative of the strong economy and growth in tourism in New York City, a similar trend to that seen the prior year. The 2012/2013 season brought fewer attendees than in the 2011/2012 season, but generated flat gross revenues compared to the prior year. The 2011/2012 season brought fewer attendees than in the 2010/2011 season, but generated greater gross revenues. According to the Broadway League, Broadway shows sold 13.32 million tickets in the 2015/2016 season, grossing approximately \$1.373 billion. The attendances in the 2015/2016 season topped those of the ten professional NY sports teams (Mets, Yankees, Rangers, Islanders, Knicks, Liberty, Giants, Jets, Devils and the Nets). The latest fact sheet made available by The Broadway League showed Broadway industry contributed \$12.6 billion and 89,000 local jobs to the New York City economy. Additionally, Broadway attendance is characterized as 33% locals and 67% tourists, with domestic tourists making up 6.4 million of these viewers in 2015, up from 3.4 million in 1999. The chart below illustrates the strength of the most recent Broadway seasons, and the growth the theaters have experienced in recent years.

BROADWAY SEASON STATISTICS		
Year	Revenue	Attendance
2007-2008	\$938,542,237	12,266,585
2008-2009	\$943,242,078	12,146,525
2009-2010	\$1,020,217,201	11,887,267
2010-2011	\$1,080,562,880	12,534,595
2011-2012	\$1,139,000,000	12,330,000
2012-2013	\$1,139,000,000	11,570,000
2013-2014	\$1,269,000,000	12,210,000
2014-2015	\$1,356,000,000	13,100,000
2015-2016	\$1,373,000,000	13,320,000
2016-2017	\$1,449,400,000	13,270,000

Source: The Statistics Portal, Broadway League; Compiled by CBRE

Lincoln Center

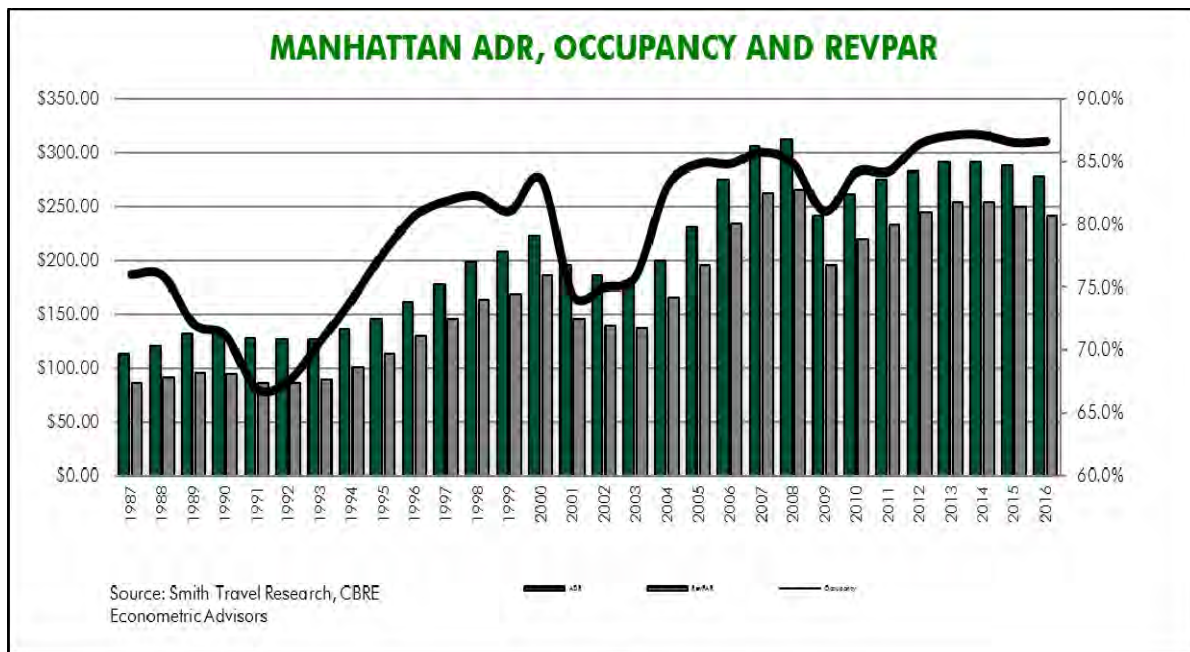
Lincoln Center is the world's leading performing arts center. Located on the Upper West Side of Manhattan on a 16-acre campus, it houses twelve cultural organizations including Lincoln Center for the Performing Arts. Lincoln Center attracts approximately 5 million visitors and 3.2 million ticket buyers annually and employs approximately 9,000 full-time, part-time and contract workers. The Center's visitors have an economic impact of \$660 million, including \$220 million spent on local restaurants, hotels, transportation and shopping. According to an economic impact study conducted by the Economic Development Research Group, Lincoln Center generates \$3.4 billion of economic activity annually for the New York Metro Area. The Center completed a \$1.2 billion comprehensive redevelopment that had been underway since 2006 which completed in 2012. The revitalization of the campus included the creation of a "Street of the Arts" lining West 65th Street with improved street presence and pedestrian-friendly sidewalks, expanded dining options, new public green space, innovative digital information signage, a Visitor's Center with free programming, a weather-protected pick-up/drop-off area and updates to the iconic Revson Fountain.

Rockefeller Center

The Radio City Music Hall, located inside the Rockefeller Center on 6th Avenue between 50th and 51st Street, is the largest indoor theatre in the world. Each year, "The Showplace of the Nation" hosts approximately 300 shows in its 12-acre complex in Midtown Manhattan. Also within the Rockefeller Center is the Top of the Rock observation deck, which provides panoramic views of the city skyline that are second to none.

HISTORICAL PERFORMANCE

The following chart illustrates the historical ADR, occupancy and RevPAR for Manhattan on an annual basis dating back to 1987.



ADR and RevPAR showed decreases in 2016. 2015 was first time since the economic downturn in 2008/2009 that new supply outpaced demand growth leading to decreases in ADR and occupancy; supply growth was 1.83% and demand growth was 1.11% in 2015. In 2016 demand increases were marginally higher than supply with 5.38% supply growth and 5.51% demand growth. The result was improved occupancy of 0.1% over 2015; however, ADR decreased by a significant 3.6% in 2016 as local managers discounted prices to compete for occupancy. Market-wide occupancy remained at a healthy 86.7%, with no noticeable change from the prior year's 86.6%. The average daily rate decrease of 3.6% to \$278.42 translated to RevPAR decreases of 3.4% for the year. The decreases are attributable to new supply coming to market which does not allow managers to push ADR as has been the behavior in past years.

The chart below illustrates supply, demand, occupancy, average daily rate and RevPAR trends for the Lower Manhattan, Times Square Area and Uptown/Midtown East submarkets through 2016. In 2017, the E-A reclassified submarkets and thus 2017 was reclassified and thus not available for this publication.

HISTORICAL MARKET PERFORMANCE									
Year	Supply (Rooms)	% Change	Demand (Rooms)	% Change	Occ. Rate (%)	ADR (\$/Rm)	% Change	RevPAR (\$/Rm)	RevPAR (% Chg YOY)
LOWER MANHATTAN									
2006	16,403	--	13,967	--	85.20	239.42	--	203.86	na
2007	17,018	3.7%	14,504	3.8%	85.20	268.33	12.1%	228.68	12.2%
2008	17,822	4.7%	14,863	2.5%	83.40	277.12	3.3%	231.11	1.1%
2009	20,033	12.4%	16,004	7.7%	79.90	211.55	-23.7%	169.01	-26.9%
2010	22,365	11.6%	18,721	17.0%	83.70	232.40	9.9%	194.54	15.1%
2011	23,748	6.2%	20,032	7.0%	84.40	249.50	7.4%	210.46	8.2%
2012	25,542	7.6%	21,971	9.7%	86.00	258.11	3.5%	222.03	5.5%
2013	26,647	4.3%	23,326	6.2%	87.50	266.56	3.3%	233.34	5.1%
2014	27,921	4.8%	24,151	3.5%	86.50	265.42	-0.4%	229.59	-1.6%
2015	29,046	4.0%	24,792	2.7%	85.40	262.92	-0.9%	224.41	-2.3%
2016	37,310	28.5%	32,080	29.4%	85.98	254.48	-3.2%	218.80	-2.5%
TIMES SQUARE AREA									
2006	28,792	--	24,512	--	85.10	269.72	--	229.62	na
2007	29,323	1.8%	25,416	3.7%	86.70	300.59	11.4%	260.54	13.5%
2008	29,865	1.8%	25,729	1.2%	86.20	307.45	2.3%	264.87	1.7%
2009	30,858	3.3%	25,508	-0.9%	82.70	239.21	-22.2%	197.73	-25.3%
2010	31,362	1.6%	27,043	6.0%	86.20	259.40	8.4%	223.67	13.1%
2011	34,167	8.9%	29,137	7.7%	85.30	272.79	5.2%	232.62	4.0%
2012	34,634	1.4%	30,533	4.8%	88.20	280.70	2.9%	247.46	6.4%
2013	35,719	3.1%	31,620	3.6%	88.50	289.37	3.1%	256.09	3.5%
2014	38,251	7.1%	33,784	6.8%	88.30	289.44	0.0%	255.63	-0.2%
2015	39,300	2.7%	34,573	2.3%	88.00	286.45	-1.0%	252.00	-1.4%
2016	35,450	-9.8%	31,854	-7.9%	89.90	278.83	-2.7%	250.67	-0.5%
UPTOWN/MIDTOWN EAST									
2006	19,571	--	16,502	--	84.30	315.99	--	266.43	na
2007	19,512	-0.3%	16,592	0.5%	85.00	348.90	10.4%	296.69	11.4%
2008	19,596	0.4%	16,505	-0.5%	84.20	354.56	1.6%	298.64	0.7%
2009	19,777	0.9%	15,782	-4.4%	79.80	273.82	-22.8%	218.51	-26.8%
2010	20,367	3.0%	16,664	5.6%	81.80	296.42	8.3%	242.52	11.0%
2011	20,239	-0.6%	16,709	0.3%	82.30	313.26	5.7%	257.93	6.4%
2012	20,322	0.4%	17,107	2.4%	84.20	317.84	1.5%	267.55	3.7%
2013	20,217	-0.5%	17,043	-0.4%	84.30	328.43	3.3%	276.87	3.5%
2014	20,530	1.5%	17,682	3.7%	86.10	331.90	1.1%	285.85	3.2%
2015	19,940	-2.9%	17,093	-3.3%	85.70	331.01	-0.3%	283.74	-0.7%
2016	20,273	1.7%	16,732	-2.1%	85.53	323.52	-2.3%	276.71	-2.5%

Source: CBRE-EA

The CBRE Econometrics-Advisor 2016 hotel statistical market performance data has been recategorized to better capture each submarket resulting in variance from historic data with a significant shift of rooms included in the Times Square Area market moved to the Lower Manhattan market category. There has been 4,747 rooms added to inventory reflecting a 5.38% supply growth overall while demand grew by 5.51%. Demand growth was driven by positive trends in the Lower Manhattan office markets, with continued interest from international travelers in Lower Manhattan neighborhoods such as Financial District, Soho, Tribeca and the Lower East Side. The World Trade Center area has had its impact on demand, as tourists as well as local residents have crowded the area since the opening of the National September 11 Memorial Plaza. Additionally, World Trade Center Transportation Hub, also known as the "Oculus", officially opened in early March 2016. A few months later, Westfield World Trade Center mall

made its debut in August 2016, with 100 stores and restaurants, located in the Oculus and at the base of the 3 and 4 World Trade Center buildings

MONTHLY PERFORMANCE

Monthly occupancy, average daily rate and RevPAR through June 2017 are discussed below. It should be noted that this data was provided by CBRE Hotels (Hospitality Research division, formerly PKF), and represents a sample of only 99 hotels with 35,572 available rooms in contrast to the Hotel Horizons® larger sample referenced in previous sections.

Occupancy

The following chart displays the recent monthly occupancy trends for New York City.

OCCUPANCY										
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Jan.	75.9%	62.7%	68.4%	67.0%	71.9%	77.8%	76.8%	74.3%	71.7%	71.4%
Feb.	80.8%	65.8%	75.1%	70.7%	76.7%	80.0%	77.3%	77.4%	77.7%	75.6%
Mar.	86.2%	72.7%	85.7%	84.1%	86.2%	88.5%	86.0%	87.3%	87.9%	84.6%
Apr.	87.0%	85.4%	88.9%	87.8%	90.7%	89.7%	92.0%	91.2%	89.0%	89.8%
May	90.2%	84.0%	92.0%	89.2%	91.1%	91.9%	94.3%	93.3%	90.0%	88.1%
Jun.	89.7%	86.9%	89.9%	88.3%	91.2%	90.4%	93.3%	93.0%	91.0%	90.6%
Jul.	88.2%	84.8%	88.2%	89.0%	90.1%	90.5%	91.2%	92.2%	90.0%	91.4%
Aug.	92.4%	88.2%	89.9%	88.8%	92.0%	90.8%	91.3%	92.9%	88.9%	90.1%
Sep.	85.7%	88.7%	88.7%	90.2%	89.2%	89.2%	92.3%	92.5%	91.0%	91.5%
Oct.	86.4%	89.7%	87.8%	90.9%	91.6%	91.3%	93.5%	92.1%	90.1%	92.0%
Nov.	80.8%	82.4%	85.0%	88.2%	89.1%	88.1%	89.3%	88.0%	90.0%	90.2%
Dec.	81.8%	86.6%	83.6%	87.7%	90.3%	90.3%	90.2%	89.1%	89.4%	89.3%
Year-End	85.9%	82.0%	85.5%	85.4%	87.9%	88.9%	89.3%	88.5%	87.1%	87.3%

Source: PKF; Compiled by CBRE

Based upon the above figures, the trailing 12 months occupancy is 87.3% which is -0.13% lower than the same period a year ago. This indicates that significant increases in supply and competition from disruptors including AirBNB have slowed absorption levels typically seen in the market. However, improvements in the economy are driving the tourism and corporate segments which is resulting in more demand in the New York area and new supply is being absorbed quickly, although 6 of the last 12 months have seen occupancy declines as the demand appear to be impacted by new supply.

Average Daily Rate

The following chart displays the recent monthly Average Daily Rate trends for New York City.

AVERAGE DAILY RATE										
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Jan.	\$262.33	\$222.92	\$204.38	\$222.78	\$209.42	\$219.56	\$237.16	\$230.19	\$207.21	\$217.60
Feb.	\$264.50	\$216.35	\$201.55	\$209.85	\$210.65	\$218.58	\$231.72	\$221.50	\$202.63	\$200.24
Mar.	\$287.85	\$218.46	\$218.12	\$228.52	\$245.07	\$264.81	\$256.00	\$251.89	\$254.12	\$241.00
Apr.	\$306.18	\$224.05	\$236.99	\$262.95	\$283.11	\$291.72	\$294.76	\$284.67	\$271.14	\$277.64
May	\$318.62	\$218.99	\$257.98	\$279.75	\$290.48	\$311.19	\$319.10	\$320.41	\$304.93	\$299.57
Jun.	\$325.94	\$215.01	\$252.85	\$279.85	\$290.31	\$300.55	\$302.74	\$306.94	\$299.01	\$285.27
Jul.	\$284.51	\$198.13	\$227.61	\$243.69	\$247.63	\$255.66	\$259.14	\$265.62	\$259.72	\$248.04
Aug.	\$285.84	\$199.66	\$226.03	\$242.45	\$247.69	\$257.33	\$261.19	\$253.86	\$249.34	\$241.23
Sep.	\$380.83	\$278.51	\$319.83	\$339.31	\$336.22	\$352.57	\$361.86	\$371.77	\$356.77	\$352.28
Oct.	\$357.71	\$280.16	\$309.56	\$327.99	\$335.74	\$352.52	\$357.08	\$361.10	\$328.88	\$326.93
Nov.	\$346.98	\$279.54	\$310.19	\$317.86	\$331.91	\$316.31	\$314.33	\$299.83	\$315.39	\$308.43
Dec.	\$338.55	\$301.83	\$322.65	\$323.47	\$338.74	\$351.85	\$340.82	\$328.52	\$331.74	\$326.66
Year-End	\$310.65	\$238.93	\$261.03	\$278.51	\$284.14	\$294.21	\$295.75	\$293.62	\$283.74	\$280.04
% Change	2.01%	-23.09%	9.25%	6.70%	2.02%	3.54%	0.52%	-0.72%	-3.36%	-1.30%

Source: PKF; Compiled by CBRE

Based upon the above figures, the trailing 12 months average daily rate is \$280.04 which represents a -1.35% change compared to the same period a year ago. This decrease is primarily attributed to increases in new supply that is driving down ADR while the market is absorbing the new product. This decline is considered a negative as ADR is not only declining, but not keeping pace with inflation. Market participants indicate this negative ADR growth trend is related to new supply flooding the market, the strong US\$ that has resulted in US citizens traveling overseas to take advantage of favorable exchange rates and foreigners not travelling to America for the inverse reason, and from disruptors including AirBNB. While none of these reasons is solely responsible for the decline, they combine to paint a stagnate picture of the NYC lodging market. Declines in 2015 continued in 2017 with 10 of the last 12 months showing declines.

RevPAR

As it represents a combination of occupancy and ADR, RevPAR levels have mirrored the recent trends in occupancy and ADR. The following chart displays the recent RevPAR trends for New York City.

RevPAR - MANHATTAN										
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Jan.	\$199.11	\$139.77	\$139.77	\$149.32	\$150.61	\$170.74	\$182.05	\$170.93	\$148.63	\$155.32
Feb.	\$213.72	\$142.36	\$151.31	\$148.28	\$161.47	\$174.96	\$179.16	\$171.49	\$157.49	\$151.41
Mar.	\$248.13	\$158.82	\$187.02	\$192.12	\$211.26	\$234.41	\$214.00	\$219.88	\$223.39	\$203.97
Apr.	\$266.38	\$191.34	\$210.79	\$230.82	\$257.13	\$261.57	\$271.13	\$259.65	\$241.37	\$249.42
May	\$287.40	\$183.95	\$237.01	\$249.60	\$265.25	\$285.86	\$300.96	\$298.92	\$274.50	\$264.02
Jun.	\$292.37	\$186.84	\$227.27	\$247.08	\$263.37	\$271.77	\$282.44	\$285.46	\$272.05	\$258.50
Jul.	\$250.94	\$168.01	\$200.83	\$216.88	\$223.12	\$231.31	\$236.40	\$244.78	\$233.70	\$226.79
Aug.	\$264.12	\$176.10	\$203.18	\$215.57	\$227.79	\$233.66	\$238.47	\$235.71	\$221.59	\$217.29
Sep.	\$326.37	\$247.04	\$283.59	\$306.07	\$299.80	\$318.37	\$333.95	\$343.90	\$324.66	\$322.36
Oct.	\$309.06	\$251.30	\$271.71	\$298.22	\$307.41	\$321.68	\$333.83	\$332.56	\$296.35	\$300.75
Nov.	\$280.36	\$230.27	\$263.67	\$283.12	\$295.76	\$278.58	\$280.74	\$263.76	\$283.77	\$278.09
Dec.	\$276.93	\$261.25	\$269.88	\$283.30	\$306.01	\$317.64	\$307.45	\$292.86	\$296.66	\$295.82
Year-End	\$266.85	\$195.83	\$223.09	\$237.98	\$249.62	\$261.67	\$264.12	\$259.79	\$247.18	\$244.36
% Change	1.31%	-26.61%	13.92%	6.67%	4.89%	4.83%	0.94%	-1.64%	-4.85%	-1.14%

Source: PKF; Compiled by CBRE

On average, RevPAR decreased -1.14% in the trailing 12 months compared to the prior 12 month period. Despite improvements in the overall economy, market participants blame the decline on new supply entering the NYC market which resulted in 19 of the past 12 months declining compared to the same month the prior year.

The occupancy, ADR and RevPAR tables do however illustrate the general fundamental strength the New York City hotel market has seen in the recent past despite recent increasing supply and the recent declining results.

Investment Climate

Together with strong market fundamentals, the influx of international capital, high demand and low interest rates, hotel pricing has pushed ever higher. The following chart summarizes the hotels that transacted in Manhattan over the course of 2016 and 2017, with 2016 seen as a robust year while investment in the hospitality sector in 2017 flattening significantly however.

RECENT TRANSACTIONS						
Property Name	Date	Rooms	Sale Price	Price Per Room	Buyer	Seller
Gansevoort Park Avenue	Dec-17	249	\$200,000,000	\$803,213	Highgate Holdings	Centurion Realty, Douglaston Development
James Hotel New York	Dec-17	114	\$66,300,000	\$581,579	Thor Equities	Prudential Real Estate Investors
Comfort Inn & Suites Midtown West	Dec-17	89	\$29,168,078	\$327,731	McSam Hotel Group	Sirota Holding Corp
Smyth Hotel	Nov-17	100	\$72,226,000	\$722,260	Korman Communities	Walton Street Capital
Comfort Inn Times Square	Oct-17	78	\$27,200,000	\$348,718	ABC NY	Gemini Real Estate Advisors, LLC
Nyma Hotel	Aug-17	171	\$52,000,000	\$304,094	Capstone Equities, Highgate Properties	Apple Core Hotels
Hotel Wales	Aug-17	89	\$35,000,000	\$393,258	DLJ RECP	Le Hotels Group
Standard High Line Hotel	Aug-17	338	\$340,000,000	\$1,005,917	Gaw Capital	Andre Balazs Properties
Royalton Hotel	Aug-17	169	\$55,000,000	\$325,444	Highgate Hotel	Felcor Lodging
Morgans Hotel	Jul-17	113	\$37,000,000	\$327,434	Kash Group	Felcor Lodging
Hotel East Houston	Jul-17	42	\$16,750,000	\$398,810	GPS Realty	Jinsup An
Dumont NYC	Jun-17	252	\$118,000,000	\$468,254	Lefrak Organization	Pebblebrook Hotel Trust
DoubleTree Times Sq. South	Jul-17	224	\$106,000,000	\$473,214	Ascott Residential Trust	Magna Hospitality Group
Club Quarters Hotel	Jan-17	289	\$95,000,000	\$328,720	Rockwood Capital LLC	Club Quarters Hotel
Stewart Hotel	Dec-16	618	\$212,500,000	\$343,851	Highgate Hotel	Pebblebrook Hotel Trust
Courtyard by Marriott	Dec-16	317	\$203,345,000	\$641,467	Union Investment Real Estate EmbH	Hidrock Properties
Hilton Fashion District	Dec-16	280	\$139,657,500	\$498,777	China Huarong International Holding	RLJ
Hilton Garden Inn Herald Square	Dec-16	298	\$139,725,000	\$468,876	China Huarong International Holding	RLJ
The Hudson Hotel	Nov-16	878	\$659,319,034	\$750,933	SBE Entertainment Group	Morgans Hotel Group Co.
Hudson River Hotel	Oct-16	56	\$18,500,000	\$330,357	Hotel East Houston	Gemini Real Estate Advisors, LLC
Hotel Chelsea	Oct-16	276	\$92,007,577	\$333,361	BD Hotel	Wheelock Street Capital, LLC
Redford Hotel/ former Comfort Inn	Oct-16	32	\$15,500,000	\$484,375	Gatsby Realty	Ashok Kumar
Affinia Shelburne	Oct-16	325	\$176,832,761	\$544,101	Denihan Hospitality Group, LLC	Pebblebrook Hotel Trust
Affinia 50	Oct-16	210	\$114,261,168	\$544,101	Denihan Hospitality Group, LLC	Pebblebrook Hotel Trust
Hotel Benjamin	Oct-16	209	\$113,717,068	\$544,101	Denihan Hospitality Group, LLC	Pebblebrook Hotel Trust
Affinia Gardens	Oct-16	129	\$70,189,003	\$544,101	Denihan Hospitality Group, LLC	Pebblebrook Hotel Trust
McCarren Hotel & Pool (Williamsburg)	Oct-16	64	\$22,000,000	\$343,750	Empire Capital Holdings	Wheelock Street Capital & Chelsea Hotels
Hotel Chelsea (Also includes 88 apartments)	Oct-16	276	\$250,000,000	\$905,797	BD Hotels	Chelsea Dynasty
Comfort Inn Ludlow	Oct-16	32	\$15,500,000	\$484,375	Gatsby Realty	136 Ludlow Corp
139-141 Orchard St	Sep-16	92	\$30,750,000	\$334,239	ELK Investors, Inc	D.A.B Grou
JW Marriott Essex House	Sep-16	510	\$418,110,000	\$819,824	Anbang Blackstone Group LP	The Blackstone Group LP
The Out NYC	Jul-16	127	\$40,000,000	\$314,961	Merchants Hospitality	Parkview Developers
Homewood Suites New York Midtown	Jul-16	293	\$167,100,000	\$570,307	Al Duwailiya Hospitality Company	Albanese Organization
Hilton Garden Inn Chelsea	Jul-16	169	\$65,000,000	\$384,615	Han's 28 Hospitality	DiamondRock Hospitality Company
NYLO Hotel UWS	Jun-16	285	\$140,000,000	\$491,228	Ashkenazy Acquisition Corp	Lehman Brothers Holdings
Andaz 5th Avenue	Jun-16	184	\$215,200,000	\$1,169,565	Tak Development Inc.	Hyatt Hotels Corp.
70 Park Avenue	Jun-16	205	\$79,000,000	\$385,366	Ponte Gadea USA	KHP Capital Partners
Holiday Inn 57th Street	May-16	596	\$148,800,000	\$249,664	Woodridge Capital Partners	Meyer Jabara Hotels
Howard Hotel	Apr-16	221	\$170,000,000	\$769,231	Commerz Real	RFR Realty
The Milburn Hotel	Mar-16	121	\$69,420,000	\$573,719	Empire Hotel Group	Milburn Hotel LLC
Sheraton Tribeca (leasehold)	Mar-16	369	\$158,000,000	\$428,184	Ascott Residential Trust	Magna Hospitality Group LC
Candlewood Suites Time Square (70% stake)	Mar-16	188	\$94,000,000	\$500,000	Cindat	Hersha Hospitality Trust
Hampton Inn Madison Square Garden (70% stake)	Mar-16	136	\$68,000,000	\$500,000	Cindat	Hersha Hospitality Trust
Hampton Inn Manhattan-Chelsea (70% stake)	Mar-16	144	\$72,000,000	\$500,000	Cindat	Hersha Hospitality Trust
Hampton Inn Times Square South (70% stake)	Mar-16	184	\$92,000,000	\$500,000	Cindat	Hersha Hospitality Trust
Holiday Inn at Wall Street (70% stake)	Mar-16	113	\$56,500,000	\$500,000	Cindat	Hersha Hospitality Trust
Holiday Inn Express Times Square (70% stake)	Mar-16	210	\$105,000,000	\$500,000	Cindat	Hersha Hospitality Trust
Holiday Inn Express Wall Street (70% stake)	Mar-16	112	\$56,000,000	\$500,000	Cindat	Hersha Hospitality Trust
Wyndham Garden Hotel Chelsea	Feb-16	124	\$60,000,000	\$483,871	Fortuna Realty Group	Gemini Real Estate Advisors, LLC
Hotel Elysee	Feb-16	103	\$55,000,000	\$533,981	BD Hotel	BD Hotel
Best Western Seaport Inn	Jan-16	72	\$38,300,000	\$531,944	The Howard Hughes Corporation	Gemini Real Estate Advisors, LLC
The Gracie Inn	Jan-16	13	\$6,450,000	\$496,154	Townhouse Management Company	Gracie Associates, LLC
The Strand Hotel	Jan-16	177	\$105,000,000	\$593,220	Marriott Vacation Club	Mid-Manhattan Hotel Associates LLC
The Jade Hotel	Jan-16	113	\$78,000,000	\$690,265	Bridgeton Holdings	Gemini Real Estate Advisors, LLC

Source: Compiled by CBRE

Recent Hotel Openings

The biggest story in the hospitality market is that of the recent additional supply added to the market in this cycle. In 2017, 2016 and 2015, a significant amount of new properties were added to the Manhattan inventory. In 2017, as 15 hotels came online adding more than 3,500

rooms to the total inventory. These hotels represent a wide range in size and scale and are across the geographic landscape in Manhattan. As seen by these properties, there is no area going untouched by hotel development on the confines of Manhattan island. The following list illustrates the added inventory of properties in 2017, 2016 and 2015 in Manhattan.

Recent Openings (2017, 2016 & 2015)			
Name	Location	Neighborhood	Rooms
Mondrian Park Avenue South	444 Park Avenue South	Midtown South	190
Moxy Hotel Seventh Avenue	485 7th Avenue	Herald Square	612
Hilton Garden Inn Financial Center	6 Water Street	FiDi	249
Made Hotel	44 West 29th Street	NoMad	108
Crowne Plaza Hudson Yards	320 West 36th Street	Midtown West	251
Hilton Garden Inn West 37th Street	326 West 37th Street	Midtown West	252
Public House	215 Chrystie Street	Lower East Side	370
Hotel Bowery	50 Bowery	Bowery	229
Life Hotel	19 West 31st Street	Herald Square	98
Hyatt House Chelsea	815 6th Avenue	Midtown South	150
Luma Hotel Times Square	120 West 41st Street	Times Square	130
Doubletree by Hilton Times Square West	346 West 40th Street	Midtown West	612
Whitby Hotel (Firmdale)	18-20 West 56th Street	Central Park	86
Four Points by Sheraton Hudson Yards	444 10th Avenue	Midtown West	148
Carnegie Hotel	160 West 56th Street	Midtown	63
Even Hotel Grand Central	219 East 44th Street	Midtown East	230
Joie De Vivre/Commune Hotel	11 East 31st Street	NoMad	248
Courtyard/Residence Inn WTC	133 Greenwich Street	FiDi	317
The Bernic	145 East 47th Street	Midtown East	96
Fairfield Inn	538 West 58th Street	Midtown West	226
Four Seasons World Trade Center	30 Park Place	TriBeCa	185
Arlo Hotel Hudson Square	231 Hudson Street	Hudson Square	325
The Beekman	123 Nassau Street	TriBeCa	287
Wall Street	84 William Street	FiDi	140
Hotel Shocard	206 West 41st Street	Midtown	24
Howard Hotel	138 Lafayette Street	SoHo	221
Renaissance Herald Square	218 West 35th Street	Midtown	348
RIU Plaza	307 West 46th Street	Midtown West	647
Innside by Melia	132 West 27th Street	Chelsea	313
SAGO Hotel	120 Allen Street	Lower East Side	20
Four Points	6 Platt Street	FiDi	264
Riff Hotel	102 Greenwich Street	TriBeCa	36
Hotel Indigo LES	171 Ludlow Street	Lower East Side	293
Q&A Hotel	70 Pine Street	FiDi	132
Even Hotel	319 West 35th Street	Midtown West	150
The Renwick	118 East 40th Street	Midtown East	173
Cambria Suites	30 West 46th Street	Midtown	196
Holiday Inn	585 Eighth Avenue	Midtown West	271
Marmara Park Avenue	114 East 32nd Street	NoMad	128
NobleDEN Hotel	196 Grand Street	TriBeCa	52
Aloft Financial District	49 Ann Street	FiDi	128
1 Hotel Central Park	1414 6th Avenue	Midtown	229
Executive Hotel Le Soleil NY	38 West 36th Street	Herald Square	160
The Gregory	42 West 35th Street	Herald Square	132
Hampton Inn Times Square	220 West 41st Street	Times Square	300
New York Edition	5 Madison Avenue	Madison Square Park	273
Orchard Street Hotel	163 Orchard Street	Lower East Side	52
Cambria Suites Chelsea	125 West 28th Street	Chelsea	140
Fairfield Inn & Suites FiDi	161 Front Street	FiDi	176
Baccarat Hotel	20-24 West 53rd Street	Midtown	114
Knickerbocker Hotel	1466 Broadway	Midtown	330
The Paul by Ascend	32 West 29th Street	NoMad	122
Total 2017			3,548
Total 2016			3,927
Total 2015			3,551
Source: Compiled by CBRE			

We note that the list above is based on CBRE research of major hotel openings in Manhattan and does not reflect all rooms added to inventory throughout the five boroughs of New York City.

OUTLOOK

Future Increases in Supply

The New York City hotel market has historically been supply constrained, growing at an average annual rate of just 2.00% over the last 30 years, compared with an average annual growth in demand of 2.52% over the same period. Supply growth has picked up pace, and until recently it had been absorbed expressly with RevPAR growing each year since the economic downturn in 2009. That said, RevPAR growth has stalled in the past three years as significant supply has entered the market. Area developers indicate that the current lending environment has significantly decreased the availability of construction financing for new lodging developments over concerns of new supply. Hoteliers point out that this lack of financing today will result in a dip in supply entering the market in several years, at which point managers can push ADR above current levels. While flat rate growth is projected in the short term, there is market confidence that hotel investments remain strong with a positive long term outlook. The outlook for supply is to continue to grow at a strong pace with peaks and valleys of the actual number of rooms entering the market in any given year.

According to our research, there were 5,477 rooms completed in 2013 and 3,966 opened in 2014 within Manhattan. A total of 3,551 and 3,927 new rooms came to market in Manhattan in 2015 and 2016, respectively, with several thousand additional rooms under construction in Manhattan, not to mention thousands of rooms in various stages of the development pipeline in the outer boroughs. There are some 17,000 additional rooms in the under construction or planning/proposed phase of development in Manhattan.

Given the historical supply and demand relationships and positive RevPAR forecasts, developers have been willing to accept these terms and numerous new hotel projects have been planned or are proposed. New supply growth is spread widely across several Manhattan neighborhoods, with some concentration in the areas south and west of Times Square, now known as Times Square South as well as Midtown South and the Financial District. Due to rising demand there has been a concerted push into the boroughs that are proximate to transportation links into Manhattan with Long Island City and Downtown Brooklyn being the recipients of new hotel developments. There is a push to develop new branded midscale product as it has so far proven successful in all neighborhoods as well as luxury product, as the existing luxury supply in Manhattan has become dated. Further the select service, or limited service with outsourced restaurants has been a popular model in the new developments coming on line. Many boutique hotels have also flourished with numerous boasting upper floor residential condominiums and rooftop lounges.

We have compiled a list of hotels either under construction or in planning stages in Manhattan, from various published sources and our own research.

Under Construction

Manhattan Hotels Under Construction				
Name	Location	Neighborhood	Rooms	Open
Walker Hotel Tribeca	396 Broadway	Tribeca	171	Nov-17
Time Square Edition	701 7th Avenue	Times Square	452	Dec-17
Aloft Midtown	44 West 30th Street	Lower Manhattan	200	Dec-17
Six Sense New York	76 11th Avenue	Chelsea	137	Jan-18
TownePlace Suites by Marriott	326 West 44th Street	Times Square	112	Jan-18
Fairfield Inn & Suites by Marriott	98-100 Greenwich Street	Downtown	192	Jan-18
The Arzen Hotel	24 John Street	Downtown	89	Jan-18
Assemblage Extended Stay Hotel	17 John Street	Lower Manhattan	106	Jan-18
Citizen M Hotel	185-191 Bowery	East Village	300	Jan-18
The Allen Hotel	88 Allen Street	Lower Manhattan	45	Jan-18
The Bryant	20 West 40th Street	Bryant Park Area	230	Jan-18
Embassy Suites Hotel	60 West 37th Street	Bryant Park Area	310	Jan-18
Courtyard and Residence Inn by Marriott	213-215 Pearl Street	Downtown	320	Jan-18
Unnamed Hotel	1150 Avenue of the Americas	Times Square	310	Jan-18
Renaissance Manhattan Chelsea	112 West 25th Street	Chelsea	330	Jan-18
Aloft Hotel Midtown	25 West 38th Street	Times Square	180	Jan-18
Marriott Hotel	151 Maiden Lane	Lower Manhattan	271	Mar-18
Unnamed Hotel	310 West 40th Street	Times Square	287	Mar-18
SpringHill Suites & Fairfield Inn	334 West 36th Street	Penn Plaza/ Garment Submarket	386	Mar-18
Dream Hotel	560 7th Avenue	Times Square	238	Mar-18
Hotel Indigo	10 Maiden Lane	Fidi	190	Mar-18
Central Park Power	217 West 57th Street	Midtown West	433	Jun-18
Moxy - NoMad/ Chelsea	105 West 28th Street	Nomad/ Chelsea	343	Jun-18
Moxy Hotel	143 Fulton Street	Lower Manhattan	228	Jun-18
Unnamed Hotel	11-13 Stone Street	Lower Manhattan	143	Jun-18
Best Western LES	263 Broome Street	Lower East Side	41	Jun-18
Renaissance Hotel	233 West 125th Street	Harlem	211	Dec-19
Pod Hotel Time Square	400 West 42nd Street	Times Square	527	Jul-18
Unnamed Hotel	16 East 39th Street	Times Square	180	Jul-18
Hotel Indigo	120 Water Street	Lower Manhattan	122	Jul-18
Courtyard Hudson Yards	461 34th Street	Hudson Yards	399	Sep-18
Allen Street Hotel	139-141 Orchard Street	Lower East Side	98	Sep-18
Virgin Hotel	1225-27 Broadway	Nomad	463	Dec-18
BMB Hotel	10 South Street	Lower Manhattan	61	Jan-19
Hard Rock Hotel	153 West 48th Street	Times Square	445	Apr-19
Ascend Collection Nomad	16-18 East 30th Street	NoMad	36	Apr-19
Unnamed Hotel	412-418 West 126th Street	Harlem	150	TBD
Unnamed Hotel	2420 Amsterdam Ave. at 180th St.	Washington Heights	192	TBD
Unnamed Hotel	454 West 128th Street	Harlem	180	TBD
Aloft Manhattan	50 Trinity Place	Fidi	173	TBD
Unnamed Hotel	255 West 34th Street	Midtown South	300	TBD
Unnamed Hotel	333 West 38th Street	Hudson Yards	79	TBD
Unnamed Hotel	245 West 34th Street	Garment District	180	TBD
Hyatt and Marriott Dual Branded Select-Service	350 West 39th Street	Hells Kitchen	518	TBD
Ace Hotel Bowery	225 Bowery/9 Orchard	Lower East Side	105	TBD
Comfort Inn	439 West 54th Street	West Side	110	TBD

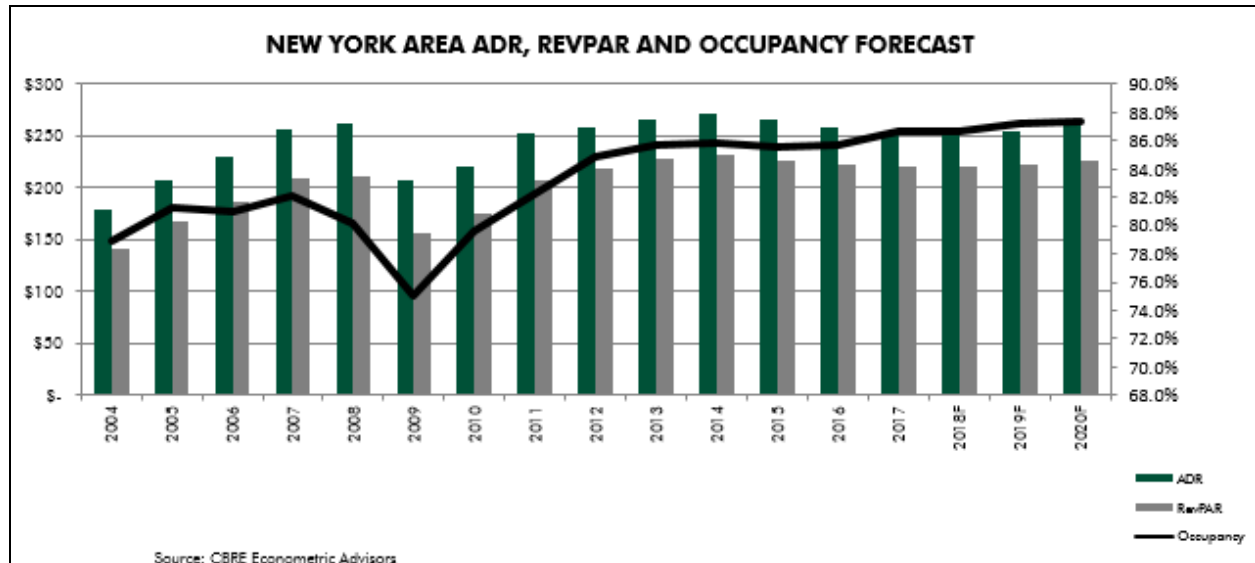
Planned/Proposed

Manhattan Hotels Proposed/Planned					
Name	Location	Neighborhood	Rooms	Developer	Status
Unnamed Hotel	138-142 Bowery Street	Lower Manhattan	46	Emmut Properties	Planned/Proposed
Unnamed Hotel	292 5th Ave	Lower Manhattan	142	DDG	Planned/Proposed
Unnamed Hotel	1212 Broadway	Lower Manhattan	15	1212 Broadway NYC LLC c/o Fantus	Planned/Proposed
Unnamed Hotel	250 5th Ave	Lower Manhattan	188	Cosmic Realty Partners LLC	Planned/Proposed
Unnamed Hotel	710 3rd Ave	Midtown East	96	710 THIRD PARTNERS LLC	Planned/Proposed
Unnamed Hotel	341 Madison Ave	Midtown East	N/A	Cushman & Wakefield	Planned/Proposed
James Farley Post Office	421 W 8th Ave	Lower Manhattan	N/A	Loynihan Station Development Corporatio	Planned/Proposed
Unnamed Hotel	3-11 W 29th St	Lower Manhattan	349	HFZ 344 West 72nd Street Owner	Planned/Proposed
AC Hotel by Marriott	432 W 31st St	Lower Manhattan	240	Concord Hospitality	Planned/Proposed
Comfort Inn/Days Inn	337 W 36th St	Times Square Area	72	NDBPW 44 LLC	Planned/Proposed
Unnamed Hotel	451 10th Ave	Times Square Area	362	Spitzer Enterprises	Planned/Proposed
Unnamed Hotel	1162 Broadway	Lower Manhattan	52	1162 Broadway LLC	Planned/Proposed
Unnamed Hotel	11 W 37th St	Times Square Area	68	HKONY West 37 LLC	Planned/Proposed
Unnamed Hotel	20 W 15th St	Lower Manhattan	30	NMR Realty LLC	Planned/Proposed
Unnamed Hotel	244 W 49th St	Times Square Area	246	250 West 49 Associates LLC	Planned/Proposed
Hudson Rise Hotel	468 11th Ave	Times Square Area	242	Bifrost LLC	Planned/Proposed
Unnamed Hotel	308 W 40th St	Times Square Area	130	RS308 LLC	Planned/Proposed
Unnamed Hotel	131 W 23rd St	Lower Manhattan	21	The Chelsea Associates LLC	Planned/Proposed
Unnamed Hotel	47 W 55th St	Times Square Area	75	Ava Hospitality LLC	Planned/Proposed
Unnamed Hotel	31 W 57th St	Times Square Area	271	Lefrak Organization	Planned/Proposed
Unnamed Hotel	4 W 37th St	Times Square Area	120	4 WEST 37TH STREET LLC	Planned/Proposed
Unnamed Hotel	23 E 39th St	Lower Manhattan	98	SLC2 Holdings LLC	Planned/Proposed
Unnamed Hotel	319 W 38th St	Times Square Area	142	319 WEST 38TH STREET LLC	Planned/Proposed
Unnamed Hotel	1009 3rd Ave	Midtown East	71	Astoria Blvd Realty LLC	Planned/Proposed
Unnamed Hotel	306 W 40th St	Times Square Area	120	NYC One Holding LLC	Planned/Proposed
Equinox Hotel	560 W 33rd St	Lower Manhattan	223	The Related Companies	Planned/Proposed
Unnamed Hotel	137 Centre St	Lower Manhattan	N/A		Planned/Proposed
Unnamed Hotel	876 6th Ave	Lower Manhattan	37	Pinky Realty LLC	Planned/Proposed
Unnamed Hotel	130 William St	Lower Manhattan	188	Lightstone Acquisitions X LLC	Planned/Proposed
Unnamed Hotel	111 E 24th St	Lower Manhattan	120	338 West LLC	Planned/Proposed
Unnamed Hotel	335 Madison Ave	Midtown East	N/A	Eureka V LLC (Milstein Brothers)	Planned/Proposed
Unnamed Hotel	1710 Broadway	Times Square Area	306	C&K Properties	Planned/Proposed
Unnamed Hotel	88 Walker St	Lower Manhattan	61	88 City Development LLC	Planned/Proposed
Unnamed Hotel	80 South Street	Lower Manhattan	716	China Oceanwide Holdings LTD	Planned/Proposed
Unnamed Hotel	1710 Broadway	Times Square Area	306	C & K Properties	Planned/Proposed
Unnamed Hotel	550 Washington St	Lower Manhattan	1586	Westbrook Partners	Planned/Proposed
Moxxy Hotel	112-120 E 11th St	Lower Manhattan	300	The Lightstone Group	Planned/Proposed
Unnamed Hotel	79 Eldridge St	Lower Manhattan	38	Southern Blvd Hotel LLC	Planned/Proposed
Unnamed Hotel	260 W 40th St	Times Square Area	290	Palmetto Hospitality of Manhattan	Planned/Proposed
Unnamed Hotel	12 E 48th St	Times Square Area	161	Hidrock Realty Inc.	Planned/Proposed
Unnamed Hotel	456 Greenwich St	Lower Manhattan	100	CBCS Washington Street LP	Planned/Proposed
Unnamed Hotel	265 Broadway	Lower Manhattan	80	Roe Corporation	Planned/Proposed
Prime Hotel	17 West 24th Street	Lower Manhattan	68	Prime Hotel Management LLC	Planned/Proposed
Unnamed Hotel	360 Tenth Avenue	Hudson Yards	TBD	McCourt Group	Planned/Proposed
Unnamed Hotel	2420 Amsterdam Avenue	Washington Heights	192	YWA-Amsterdam LLC	Planned/Proposed
Unnamed Hotel	525 Eighth Avenue	Garment District	252	McSam Hotel Group	Planned/Proposed
Unnamed Hotel	516-520 5th Avenue	Midtown	208	Thor Equities	Planned/Proposed
Unnamed Hotel	30 West 39th Street	Midtown West	299	Fortuna Realty Group	Planned/Proposed
Unnamed Hotel	351-353 West 38th Street	Hudson Yards	500	N/A	Planned/Proposed
Resotration Hardware Hotel	55 Gansevoort Street	Lower Manhattan	14	Delshah Capital	Planned/Proposed
Americano Hudson Yards	462-470 Eleventh Avenue	Hudson Yards	450	BlackHouse	Planned/Proposed
Aloft Hudson Yards	450 11th Avenue	Hudson Yards	438	Marx Development Group	Planned/Proposed
Aloft	44 West 30th Street	Midtown West	200	Lam Group	Planned/Proposed
Jade Hotel Bryant Park	34 West 38th Street	Bryant Park Area	117	N/A	Planned/Proposed
Unnamed Hotel	1185 Broadway	Midtown South	146	Flag Luxury Properties	Planned/Proposed
Pestana Hotel	338 west 39th Street	Hudson Yards	176	CBCS 39 LLC	Planned/Proposed
Total			10,768		

Source: NYC&Co. Compiled by CBRE

New York Area Performance Outlook

New York Area historical performance and forecasts according to CBRE Econometric Advisors are discussed below. It is important to note that the CBRE EA New York Area includes not only the five boroughs, but Bergen, Hudson, and Passaic Counties in New Jersey; and Putnam, Rockland, and Westchester Counties in New York. As such, we expect the overall performance forecasts in the following graphs to be slightly inferior to those of the Manhattan market alone. Historically, Manhattan has achieved RevPAR levels between 112% and 120% of New York Area RevPAR.



CBRE EA illustrates 2016 had a modest rate decrease from the prior year while occupancy rose just slightly, resulting in a RevPAR decrease compared to 2015. In 2017 occupancy registered a gain while ADR was slightly off again, however the result was for near flat performance year over year or a -0.2% decline in RevPAR. 2018 is forecast to have another modest decline and growth is expected moving forward in 2019 and beyond. As stated, the Manhattan market is expected to exhibit more pronounced RevPAR growth than the overall New York Area. Long term, the New York City market is expected to ultimately achieve and surpass the historical highs of 2014 albeit well into the future.

Conclusion

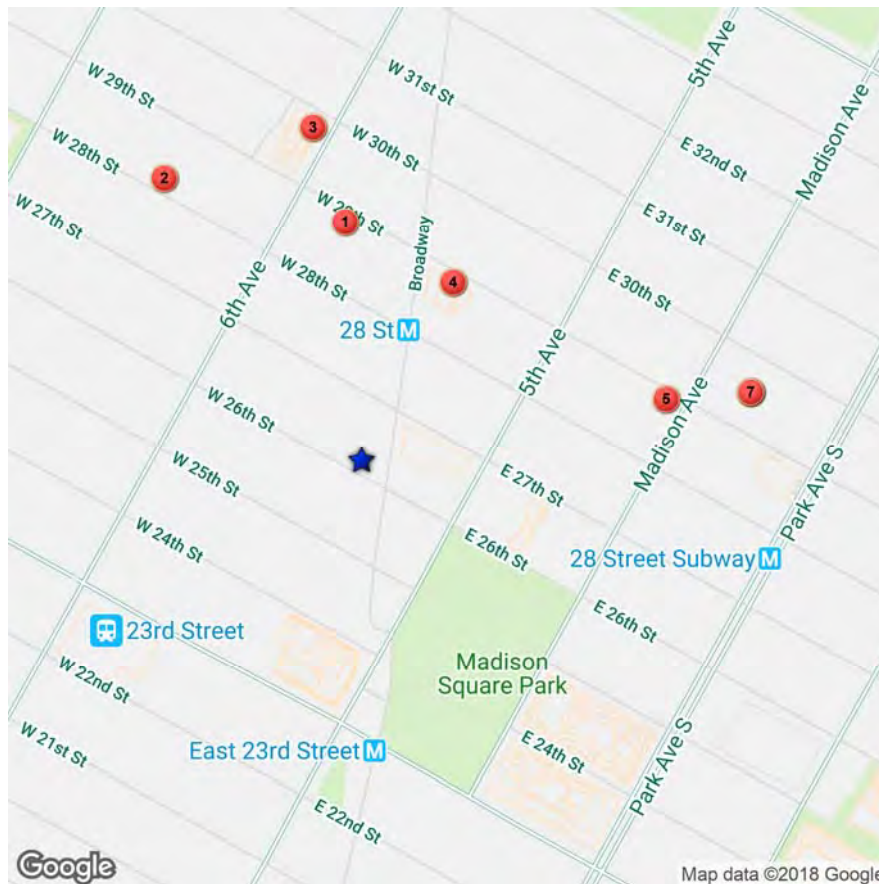
City-wide RevPAR decreased year-over-year amid significant increases in supply and continued uncertainty across domestic and international economies. The New York City hotel market is on track to reach its previous peak performance thresholds. As a result of this growth, the market has lured significant investment dollars by way of new construction and acquisitions of existing properties. There remains a very positive outlook as New York City continues to see strong growth in demand, although new supply is tempering ADR and RevPAR growth, thus hotel performance is expected to level out in the near term.

COMPETITIVE HOTEL MARKET ANALYSIS

The subject is classified as an upscale full service hotel in the Nomad section of Manhattan. Hotel development in the area consists of a variety of a wide variety of hotels including limited select, extended stay and full service properties that are both independently and branded operated properties.

Summary of Competitive Properties

The following table provides a summary of the subject's competitive hotel set. These comparables were based on proximity to the subject and full service capability.



PRIMARY COMPETITIVE HOTELS

Property	Number of Rooms	Percentage Competitive	Year Built	Affiliation Date	Competitive Rooms	Distance From Subj.	12 Months Ending July 31, 2018					
							Occupancy	Penetration	ADR	Penetration	RevPAR	RevPAR Penetration
MADE Hotel	104	100%	2017	Aug-17	104	0.10	60% - 65%	70% - 80%	\$205 - \$215	75% - 85%	\$125 - \$130	55% - 65%
Hotel Hayden	122	100%	2009	Jan-17	122	0.10	75% - 80%	85% - 95%	\$215 - \$225	80% - 90%	\$160 - \$170	70% - 80%
Kimpton Hotel Eventi	292	100%	2010	May-10	292	0.10	90% - 95%	110% - 120%	\$320 - \$330	120% - 130%	\$295 - \$305	135% - 145%
Ace Hotel New York	285	100%	2009	May-09	285	0.10	90% - 95%	105% - 115%	\$285 - \$295	105% - 115%	\$260 - \$270	120% - 130%
The James New York NoMad	337	100%	1904	Jun-04	337	0.10	85% - 90%	100% - 110%	\$245 - \$255	90% - 100%	\$210 - \$220	90% - 100%
The Redbury New York	259	100%	2001	Jan-01	259	0.10	75% - 80%	85% - 95%	\$205 - \$215	75% - 85%	\$155 - \$165	70% - 80%
The Evelyn	160	100%	1903	Jan-03	160	0.10	75% - 80%	85% - 95%	\$195 - \$205	70% - 80%	\$145 - \$155	65% - 75%
Overall Totals/Averages	1,559				1,559		83%		\$258.36			

Compiled by CBRE

PRIMARY COMPETITION

Property	Estimated 2018 Market Mix			Occupied Room Nights			Exercise Facilities			
	Corp. Individual	Group	Leisure	Corp. Individual	Group	Leisure	Restaurant	Lounge	Business Center	Exercise Facilities
MADE Hotel	25%	5%	70%	5,694	1,139	15,943	Y	Y	Y	Y
Hotel Hayden	35%	5%	60%	11,689	1,670	20,039	Y	Y	Y	Y
Kimpton Hotel Eventi	40%	10%	50%	39,648	9,912	49,560	Y	Y	Y	Y
Ace Hotel New York	30%	10%	60%	28,711	9,570	57,422	Y	Y	Y	Y
The James New York NoMad	40%	10%	50%	41,822	10,455	52,277	Y	Y	Y	Y
The Redbury New York	35%	5%	60%	24,815	3,545	42,541	Y	Y	Y	Y
The Evelyn	25%	5%	70%	10,950	2,190	30,660	Y	Y	Y	Y
Overall Totals/Averages	35%	8%	57%	163,329	38,481	268,441				

Compiled by CBRE

The primary competitive set, excluding the subject, has a total of 1,559 rooms. The trailing 12 month as of July 2018 occupancy and ADR achieved by these properties was roughly 83% and \$258, respectively.

Competitive Property One

The MADE hotel is a 104-room boutique full service property located 44 West 29th Street 3 blocks north of the subject property. It is a full service property offering nightly daily food and bar service at the Ferris Restaurant, which is overseen by the Major Food Group. The property also offers a coffee shop, named "Paper", that is open daily from morning to late afternoon. The property newly opened in later half of 2017. The property also includes a roof top bar on the 18th floor, known as "Behavior" which is nicely appointed with wood accents and tiki-inspired décor. It provides a fresh atmosphere for cocktails and dining providing some views of the Manhattan skyline. The property boasts on its web site an authentic, intentional environment where emotion and intelligence meet and looks to capture a high quality experience for the guest. The rooms are well appointed and materials used in design are thoughtful and fresh. The estimated ADR for the most recent year was \$205-\$215 yet the property is newer and considered to be in ramp up stage expecting higher ADR's moving forward as it is absorbed into the market. The average occupancy for 2017 was at 60-65% however, the property remains in ramp up stage. The property includes complimentary wifi, flat screen TV's, well appointed rooms with wood floors, platform bedding, Revo radio, high quality bath amenities and bathrobes.

As compared to the subject, given the property is new, it is in superior condition. It is located on a side street, thus has inferior exposure.

Competitive Property Two

The Hotel Hayden is a 122-room boutique full service property located 127 West 28th Street 2 blocks north of the subject property. It is a full service property that was previously the Indigo brand and was repositioned opening in early half of 2017. It is promoted as a "urban oasis where fun and fashion collide". The property offers dining service at the streetfront café' and also has a rooftop restaurant known as Mykonos Blue. Mykonos Blue boasts on the web site "a cutting-edge, multidimensional space that is the crown jewel of the New York City scene. This venue is composed of numerous upscale outdoor lounges, including an open-air terrace boasting breathtaking Manhattan views. A-list DJ entertainment, exquisite ambiance and chic city dwellers reveling into the early hours. Raising altitudes and expectations, be sure to host your next outing at Hayden Rooftop, Manhattan's premier rooftop cocktail lounge". The rooftop is nicely appointed with a "white" clean modern décor with roof enclosure and canopied open air space and offers an upscale food and drink menu. The rooms are well appointed with colorful and eclectic fashion conscious materials. The property includes complimentary wifi, 43" flat screen TV's, wood floors, platform bedding, electronic safe, stocked mini-fridge, spa-style bathroom and bath amenities and Keurig coffee maker. It also has a state of the art fitness center. This property requires a \$25 facility fee for all reservations, however the facility fee includes discounts at the

rooftop restaurant and 2 complimentary drinks. Given the property is newer, it is considered to be in ramp up stage. ADR was estimated at \$215-\$225 yet the property was newly repositioned in January 2017 and considered to be in ramp up. As the property is absorbed into the market, rates are expected to increase. The average occupancy for 2017 was at 75-80%.

As compared to the subject, given the property is new, it is in superior condition. It is located on a side street, thus has inferior exposure.

Competitive Property Three

The Eventi by Kimpton is a 292-room full service property located 851 Avenue of the Americas on 30th Street, 4 blocks northwest of the subject property. It boasts itself as a full service 4-star boutique property which was newly built and opened in 2010. The Kimpton Brand has been a leader in the boutique hotel market operating around the country and been in existence for 30 years. The property is located on the base floors of the residential condominium of same name. The property has a large presence on Avenue of the Americas given the building itself is 30+ stories, and is situated on the entire blockfront on the Avenue. The property has near 30,000 SF of retail space on multiple floors and boasts two restaurants, L'Amico and the Vine and also 20,000 SF of meeting space and spa. The meeting space is media centric with varied room sizes with digital media capabilities with both business and social functions in mind. The property also includes a public outdoor plaza with large screen multimedia electroinc (billboard type) screen for outdoor screening between 30st and 31st street. The rooms are of varying style and size from 275 SF up to 1,700 SF. The rooms are well appointed and start with floor to ceiling windows for exceptional light. Inasmuch as it is a larger property, the Eventi Kimpton, is known as a boutique hotel and Kimpton a boutique hotel operator. This property, given its size, brand, room size and luxury offering is the top performer in the set. The property was performing at 90-95% Occupancy and \$320-\$330 in ADR.

As compared to the subject, this property will perform at a higher level than the subject.

Competitive Property Four

The Ace is a 285-room select service property located 20 West 29th Street at the corner of Broadway, 3 blocks north of the subject property. It boasts itself as a 4-star boutique property built in a historic turn of the century building was a repositioned into the Ace Hotel opening in 2009. At its opening, the Ace offered a unique comfortable common space lobby for work and social gathering for both guests and the public in its lobby. The property boasts a character where art, fashion and work come together and from its opening, the market embraced the co-exist/work/social atmosphere and as its web site boasts, its bustling lobby has become a hub for meeting. The property has a two eateries in the base floor, the Breslin Dining Room and the John Dory Oyster Bar. There is also a Stumptown Coffee accessible from the street and lobby alike. Rooms at the property vary, however known to be smaller in size but full of character from having original art and vinyl albums on walls with operating record players in rooms. The rooms also vary greatly in size with some rooms having a bunk bed to double queen beds in a 400 SF room.

The rooms are sparingly appointed, but it is part of the character. The web site boasts the best beds in the universe among others. The property is well located, in good condition and is the hot spot for the creative, artists, media, in the area. This property, was performing at 90-95% Occupancy and \$285-\$295 in ADR.

As compared to the subject, this property will perform at a higher level than the subject.

Competitive Property Five

The James Nomad is a 337-room property is located 22 East 29th Street at the corner of Madison, 3 blocks north of the subject property. This is the former Carlton Hotel that was rebranded the James Nomad. It boasts itself as a 4-star boutique property built in a beaux arts 1920's building that was a repositioned as the James Nomad in June 2017. The property boasts a residentially styled guest room for the modern-day traveler – balancing form and function. The hotel highlights local art and looks to retain its true beaux arts character and craftsmanship. It's rooms are all newly appointed. Rooms at the property vary in size but offer a comfortable size from 225 SF for standard room, 400 SF for deluxe and suites to 675 SF. The property offers complimentary wifi, niche in room dining and work area, in room pantry and luxury bath amenities. There is also a fitness center boasting Peloton bikes. The James brand, consists of three hotels, two in New York, including its 114-room sister property in SoHo (which outperforms this property in terms of rate), one in Chicago and a fourth yet to be opened in Washington DC. The James Nomad property is well located, in new condition and should be able to perform at a higher level as it gains traction as it is further absorbed. This property, was estimated to be performing at 85-90% Occupancy and \$245-\$255 in ADR.

As compared to the subject, given the scope of the property it will perform at a higher level and should aspire to its performance.

Competitive Property Six

The Redbury is a 259-room property is located 29 East 29th Street midblock off Madison Avenue, 3 blocks north of the subject property. It boasts itself as a 4-star boutique property built in a 1920's building that was a repositioned from the Martha Washington Hotel to the Redbury in January 2016. Like others in the set, this hotel also looks to highlight local art and music of the early 20th century when the area was known for its music and artistic roots. All of it's rooms are all newly appointed and inspired by the glamour of the 1920's music publishing era. The property offers complimentary wifi, 300-count linens, spacious bathrooms with luxury amenities. The Redbury New York has a sister property in South Beach. The property boasts three Romanesque eateries by Danny Meyer; Marta, an upscaled Italian pizzeria, Vini e Fritti and Caffè Marchhino. It boasts 7,000 SF of function space for business and social functions alike. The Redbury property is well located, in new condition and should be able to perform at a higher level as it gains traction as it is further absorbed. This property, was performing at 75-80% Occupancy level and \$205-\$210 in ADR.

As compared to the subject, given the scope of the property, and the fact that it is recently absorbing into the market, the subject should compete well with this property in terms of ADR and Occupancy. As they are absorbed into the market, each will perform at a higher level than initially positioned.

Competitive Property Seven

The Evelyn is a 160-room property is located 7 East 27th Street midblock off Madison Avenue, 1 block north of the subject property. This property has been operating as the Gershwin Hotel, considered at a 2+ star level, was rebranded with a recent reposition by current ownership, Triumph Hotel Group, that completed in mid-late 2017. The property had undergone a complete lobby reposition uncovering a former speakeasy that was meticulously rebuilt and now operating at Lionella Tiburna, an Italian American fine dining experience. Like others in the set, this hotel also looks to highlight local art and music of the early 20th century for its music and artistic roots. All of it's rooms are all newly appointed and inspired by music with record players, phonographs, and art based on music notes and the glamour of the 1920's music publishing era. The property offers complimentary wifi, Frette Linens, luxury bath amenities. The Evelyn property is well located, in new condition and should be able to perform at a higher level as it gains traction as it is further absorbed. This property was performing at 75-80% Occupancy level and \$195-\$205 in ADR.

As compared to the subject, given the scope of the property, and the fact that it is recently absorbing into the market, the subject should compete at a higher level than this property in terms of ADR and Occupancy. As each are absorbed into the market, each will perform at a higher level than initially positioned.

STR Custom Trend Report

In order to more precisely identify hotel market trends, as they relate to the subject, CBRE has relied on a customized report prepared by STR, Inc., a national firm specializing in tracking hotel data. STR is generally considered the standard source of reliable data for most markets. While it is widely utilized, it is important to note some of its limitations. Specifically, hotels are occasionally dropped in and out of the sample, and not all hotels report data in a consistent and timely matter. As a result, the data set is sometimes skewed upwards or downwards depending on the particular market and the overall quality of the data is negatively impacted. For most markets, however, it is considered to provide an accurate overall picture of market performance, and therefore, has been used in this analysis. The hotels included in the STR report are based on interviews with representatives of the subject and subsequent field research.

The trends in room supply, occupancy, average daily rate, and room-night demand (defined as the number of occupied rooms) for the subject's competitive set are illustrated as follows:

**HISTORICAL MARKET PERFORMANCE
STR TREND COMPETITIVE PROPERTIES**

Year	Room Night Supply	Percent Change	Market Occupancy	Room Night Demand	Percent Change	Average Daily Rate	Percent Change	RevPAR	Percent Change
2012	516,475	---	84.1%	434,543	---	\$258.70	---	\$217.66	---
2013	516,475	0.0%	87.1%	450,023	3.6%	\$267.49	3.4%	\$233.08	7.1%
2014	514,442	-0.4%	82.8%	426,173	-5.3%	\$274.63	2.7%	\$227.51	-2.4%
2015	511,834	-0.5%	88.0%	450,367	5.7%	\$268.87	-2.1%	\$236.58	4.0%
2016	516,003	0.8%	87.7%	452,615	0.5%	\$259.54	-3.5%	\$227.66	-3.8%
2017	539,484	4.6%	79.8%	430,320	-4.9%	\$256.04	-1.4%	\$204.23	-10.3%
CAG *		0.9%			-0.2%		-0.2%		-1.3%
Jul TTM 2016	514,749	---	88.0%	453,064	---	\$263.14	---	\$231.60	---
Jul TTM 2017	518,122	0.7%	81.7%	423,363	-6.6%	\$260.08	-1.2%	\$212.51	-8.2%
Jul TTM 2018	568,185	9.7%	82.7%	469,969	11.0%	\$258.18	-0.7%	\$213.55	0.5%
CAG *		5.1%			1.8%		-0.9%		-4.0%
Jul YTD 2015	296,593	---	86.3%	255,996	---	\$248.93	---	\$214.86	---
Jul YTD 2016	299,508	1.0%	86.4%	258,693	1.1%	\$239.09	-4.0%	\$206.51	-3.9%
Jul YTD 2017	301,627	0.7%	76.1%	229,441	-11.3%	\$237.47	-0.7%	\$180.64	-12.5%
Jul YTD 2018	330,328	9.5%	81.5%	269,090	17.3%	\$243.96	2.7%	\$198.73	10.0%
CAG *		5.0%			2.0%		1.0%		-1.9%

* Compound Annual Growth

Source: STR Trend Report

Proposed Hotels/Additions to Supply

The new hotel forecast for the subject's market area and the degree to which each development is projected to compete with the subject is illustrated as follows:

HOTEL ROOM FORECAST

Name	Proposed YOC	Est. Opening	No. Rooms	Percent Competitive	Additional Competitive Rooms
Aloft Midtown 44 West 30th St	2017	11/1/2017	171	10%	17
Renaissance Hotel Chelsea, 112 W 25th	2018	1/1/2018	330	20%	66
Moxy/Nomad Chelsea, 105 W 28th St	2018	6/1/2018	343	20%	69
Ascend Nomad, 16-18 West 30th	2019	4/1/2019	36	10%	4
Total Additional Rooms					156
Total Annualized Additional Room Inventory					56,940
Compiled by CBRE					

While CBRE has made several attempts to determine the level of new hotel supply entering the marketplace, it is impossible to determine every hotel that will be developed in the future, when they will be completed, or their potential impact to the subject. In conducting our investigations regarding the potential for additions to supply in the competitive market, we interviewed various developers and planning officials. We have identified additional projects in the local area but have not specifically included these properties in our analysis due to the stage of development, financing issues, market positioning, location, and/or rate structure. The inherent risk of any future new hotel supply has been implicitly considered in the selection of a stabilized occupancy level for the subject property.

HOTEL DEMAND GENERATORS

Demand for hotel rooms is categorized in three ways:

- Demonstrated Demand: the demand already captured at competitive hotels;
- Induced Demand: the demand that does not presently seek accommodations in the competitive market, but could be persuaded to do so through marketing efforts, room rates, facilities, services and amenities.
- Unsatisfied Demand: the demand that seeks accommodations in the market but is not satisfied due to one of a number of factors: sell-outs during peak season; lack of a particular type of accommodation; lack of meeting space; or high room rates.

Hotel demand for the neighborhood is generated by a heavy concentration of surrounding office developments, the local neighborhood population, the neighborhood itself with both shopping and eateries, and the plethora of nearby tourist attractions offered in New York City, including Madison Square Garden, Empire State Building, Madison square Park among the few.

Demand Segmentation

In most markets, overall demand varies based on the nature of travel. In most markets, the lodging demand is generated from three different segments: Corporate, Group/Meeting and Leisure travelers. In some markets, a fourth classification may be present, such as airline contract or government. A breakdown of the overall market segments as well as the subject's mix of business is illustrated in the following table.

DEMAND SEGMENTATION - COMPETITIVE MARKET AND SUBJECT					
Segment	Competitive Set		Subject Property		
	2018 Demand	%	2018 Demand	%	Penetration
Corp. Individual	163,329	35%	7,945	40%	118%
Group	38,481	8%	993	5%	63%
Leisure	268,441	57%	10,925	55%	99%
Total	470,251	100%	19,863	100%	103%
Compiled by CBRE					

Although the subject illustrates a penetration above its competitors, the statistics are somewhat deceiving as the property has been operating with high discounts and under duress, thus the above segmentation and penetration is not indicative of the property under normal market conditions.

The following analysis schedule illustrates our projections of future demand growth for the local market by demand segment.

COMMERCIAL DEMAND SEGMENT

Commercial travelers are defined as business people attracted by businesses in the area. Most demand from the corporate segment is generated between Sunday and Thursday nights, declines Friday and Saturday nights, and increases somewhat on Sundays. The typical duration of occupancy is one to three days and is characterized by single occupancy. Historically, this

demand segment has been somewhat less price sensitive than other segments. The commercial segment includes smaller sub-segments, including corporate transient demand and corporate volume discount. Commercial transient demand includes individuals visiting the companies in the immediate area or passing through town. Often, these types of travelers are influenced by quality of the hotel, brand loyalty, and location. Corporate volume demand is generated by local firms and includes employees of the company or others doing business with the firm. Rates are often pre-negotiated with the hotel and are sometimes discounted in return for a high number of occupied rooms. The TAMI industry, which includes Technology, Advertising, Media and Internet related companies have flocked to the area since the last downturn. The Midtown South area offers offices with open floor plates, high ceilings and architecturally interesting or pleasing buildings that the new wave of companies seek. Facebook, for instance, has taken a majority of the building located at 200 Fifth Avenue, which is just a few blocks south of the subject. Companies such as these are well capitalized and drive corporate traffic and thus need for accommodation to the area. As noted previously, the Midtown and Midtown South office markets are performing at near record levels.

MEETING AND GROUP DEMAND SEGMENT

Meeting and Group travelers are defined as any group occupying five or more rooms on a given night. This segment includes corporate groups, associations, SMERF (social, military, educational, religious, and fraternal) groups. This segment is typically attracted by a hotel's meeting facilities and recreational amenities in the area. Demand from corporate groups is typically generated between Sunday and Thursday nights, and can include corporate functions, holiday parties, incentive groups, etc. Often, corporate groups pay high rates, especially incentive groups, where companies "wine and dine" their top salesman and upscale/luxury hotels. Corporate groups tend to have a high level of single occupancy, while other groups tend to have more double occupancy. Associations and SMERF groups have a more varied occupancy pattern and often hold weekend meetings. This demand segment tends to be somewhat price sensitive. The typical stay for group demand is between three and five days. There is a perception (often true) that by occupying a block of rooms, a volume discount should be given. Group/meeting travelers have a tendency to stay at full-service hotels and utilize a hotel's food and beverage facilities. This segment is seasonal, and repeat business on an annual basis is not guaranteed. Overall, the group/meeting segment is desirable as it provides for a full utilization of hotel facilities. The subject property does not have significant meeting space and thus will underperform in this segment.

LEISURE DEMAND SEGMENT

Leisure travelers generally include vacationers or travelers passing through the area. This category effectively includes all non-commercial related travelers too small to be defined as a group. This segment is typically attracted by a hotel's location relative to area attractions (including friends/relatives). Demand from leisure/transient travelers is typically generated

throughout the week during peak periods, with more weekend demand in shoulder seasons. Leisure travelers tend to have a high level of double occupancy. Both components of this demand segment tend to be price sensitive. The typical stay for leisure travelers is between two and five days. Transient travelers typically occupy a room for one to two nights only.

Future leisure demand is related to the overall health of the local and national economy. As discussed in the Regional analysis of this report, the local and regional economy is improving, and the overall outlook is positive.

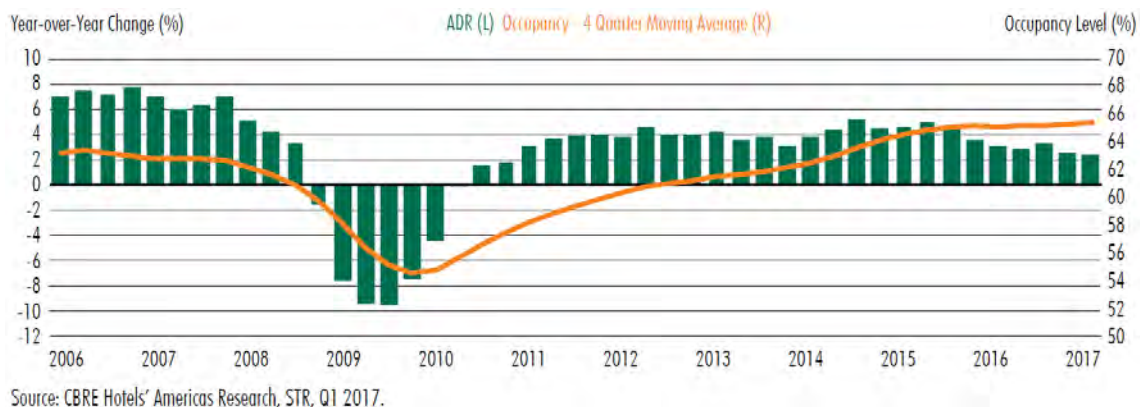
Segmented Demand Growth Conclusions

The First Quarter 2017 Hotel Marketview Snapshot report produced by CBRE, Inc. Econometric Advisors (CBRE-EA) included the following guidance regarding demand:

Demand Grows Nationwide

Responding to strengthening economic conditions, lodging demand grew by 2.8% year-over-year in Q1 compared with 2.3% in Q4 2016. Accelerating demand pushed up occupancy to 61.1% in Q1, a 0.9% increase from Q1 2016, the highest level since STR began compiling data in 1987. Although the 0.9% growth rate is not historically high, occupancy advanced at the quickest quarterly pace since 2015.

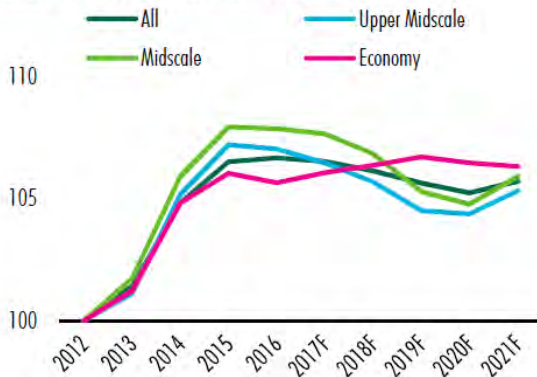
Among the chain scales, upscale hotels handily outpaced all other categories, with demand growing 5.8% year-over-year in Q1. Upper midscale hotels grew the second highest at 3.8%. Economy hotels grew the most slowly at 0.4% higher compared with Q1 2016.



U.S. hotels are forecast to operate at near-record occupancy levels in 2017; CBRE Hotels' Americas Research projects that the U.S. lodging industry will achieve an annual occupancy rate of 65.0% in 2017, just shy of the 65.3% occupancy level expected for 2016.

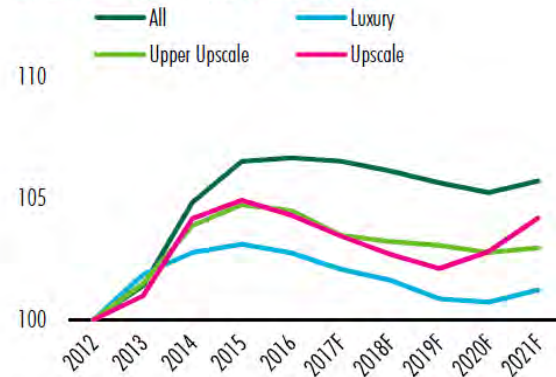
The March-May, 2017 edition of the Hotel Horizons publication of CBRE Hotels included the following graphs depicting historical and forecast growth of Occupancy by segment.

Exhibit 12*: Lower-Priced Hotel Occupancy



Source: CBRE Hotels' Americas Research, STR, Q4 2016

Exhibit 13*: Upper-Priced Hotel Occupancy



Source: CBRE Hotels' Americas Research, STR, Q4 2016

Based on historic trends for the various demand segments, the state of the local and national economies, and conversations with local hotel operators in the marketplace, the applicable demand segments are projected to exhibit the following growth trends.

ANNUAL DEMAND GROWTH RATES									
Segment	Historical 2018	2019	2020	2021	2022	2023	2024	2025	2026 and beyond
Corp. Individual	5%	5.0%	3.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
Group	5%	5.0%	3.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
Leisure	5%	5.0%	3.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%

Compiled by CBRE

Latent Demand

Latent demand represents potential room nights in the marketplace that could not be accommodated by the existing hotels, and comes in two forms: Induced demand and displaced demand. Induced demand represents additional accommodated room nights by the introduction of a new demand generator, such as the construction of a conference center, a major company moving into the area, or the introduction of a new hotel that has distinct advantages over the existing competitors. As noted previously, there has been a sizable amount of new supply coming into New York. The demand has been keeping pace as has been noted as overall occupancies have not fallen drastically with this new supply. In the subject market area, several of the existing hotels have recently been repositioned, including the Redbury, the Evelyn, the James Nomad, the Made and Hotel Hayden, each of which is competing at a higher level than prior. The new repositions will induce demand into the neighborhood as the brands and affiliation of these hotels look to attract their following. The new hotels also will be adding new franchise names to the area and will further induce demand.

For this analysis, we have included induced demand in our analysis, as both repositioned hotels and the new supply we have identified as competitive to the subject will induce demand to the market.

Displaced Demand

CBRE has also considered displaced demand for this analysis. Displaced demand occurs when individuals are unable to rent a room because all of the hotels in the marketplace are filled to

capacity. As a result, individuals must defer their trips or make accommodations in other markets. Because this demand was not accommodated historically, it is not illustrated in the estimate of the historic accommodated room night demand. Displaced demand is illustrated further in markets where there are distinct high and low seasons, or several periods of high and low occupancy throughout the year.

As discussed previously in this report, the competitive set has an average occupancy in the mid 80% level. On various days of the week, it consistently performs in the 90% level. Given the high occupancy levels midweek and peak seasonality during peak visitation months, we have considered displaced demand of 2.0% for all segments.

Based on market factors presented throughout this section, the forecast of overall demand growth for the subject's market is illustrated as follows:

PROJECTED BASE DEMAND, ANNUAL GROWTH, AND MARKET-WIDE OCCUPANCY											
Competitive Set Year Ending 7/31/	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
Corp. Individual											
Annual Growth		5.0%	3.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
Base Nightly Demand	447	470	484	489	494	499	504	509	514	519	524
Annual Room Nights	163,329	171,495	177,124	178,406	180,191	181,992	184,316	185,650	187,507	189,382	191,800
Displaced Demand Rate		2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Displaced Demand	-	3,430	3,542	3,568	3,604	3,640	3,686	3,713	3,750	3,788	3,836
Induced Demand	-	15,190	15,530	15,488	15,488	15,488	15,530	15,488	15,488	15,488	15,530
Total Segment Demand	163,329	190,115	196,197	197,462	199,283	201,120	203,532	204,851	206,745	208,657	211,166
Group											
Annual Growth		5.0%	3.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
Base Nightly Demand	105	111	114	115	116	117	119	120	121	122	123
Annual Room Nights	38,481	40,405	41,732	42,034	42,454	42,879	43,426	43,740	44,178	44,620	45,189
Displaced Demand Rate		2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Displaced Demand	-	808	835	841	849	858	869	875	884	892	904
Induced Demand	-	3,797	3,883	3,872	3,872	3,872	3,883	3,872	3,872	3,872	3,883
Total Segment Demand	38,481	45,011	46,449	46,746	47,175	47,608	48,177	48,487	48,933	49,384	49,976
Leisure											
Annual Growth		5.0%	3.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
Base Nightly Demand	735	772	795	803	811	819	828	836	844	853	861
Annual Room Nights	268,441	281,863	291,114	293,222	296,154	299,116	302,935	305,128	308,179	311,261	315,235
Displaced Demand Rate		2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Displaced Demand	-	5,637	5,822	5,864	5,923	5,982	6,059	6,103	6,164	6,225	6,305
Induced Demand	-	18,987	19,413	19,360	19,360	19,360	19,413	19,360	19,360	19,360	19,413
Total Segment Demand	268,441	306,488	316,349	318,446	321,437	324,458	328,406	330,590	333,702	336,846	340,952
Totals											
Corp. Individual	163,329	190,115	196,197	197,462	199,283	201,120	203,532	204,851	206,745	208,657	211,166
Group	38,481	45,011	46,449	46,746	47,175	47,608	48,177	48,487	48,933	49,384	49,976
Leisure	268,441	306,488	316,349	318,446	321,437	324,458	328,406	330,590	333,702	336,846	340,952
Total Market Demand	470,251	541,614	558,995	562,654	567,895	573,186	580,115	583,928	589,380	594,887	602,094
Growth over Prior Year		15.2%	3.2%	0.7%	0.9%	0.9%	1.2%	0.7%	0.9%	0.9%	1.2%
Market Statistics											
Existing Rooms Supply	1,559	1,559	1,559	1,559	1,559	1,559	1,559	1,559	1,559	1,559	1,559
Proposed Rooms Supply	-	153	156	156	156	156	156	156	156	156	156
Total Available Room Nights	559,545	624,880	627,690	625,975	625,975	625,975	627,690	625,975	625,975	625,975	627,690
Growth over Prior Year		11.7%	0.4%	-0.3%	0.0%	0.0%	0.3%	-0.3%	0.0%	0.0%	0.3%
Potential Market-wide Occupancy	84.0%	86.7%	89.1%	89.9%	90.7%	91.6%	92.4%	93.3%	94.2%	95.0%	95.9%
Accommodated Market Occupancy	84.0%	86.7%	89.1%	89.9%	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%

Source: CBRE

Based upon the historical performance of the market and due to the seasonal patterns and weekday versus weekend trends in the market in addition to the projected new supply, it is unlikely that the market will exceed the 90.0% percent level over the long term. Furthermore, with a six-year projected recovery period to move towards stabilized operations, we find these projections reasonable.

HISTORIC OPERATING PERFORMANCE

The subject's occupancy, ADR, and RevPAR history, including year-to-date figures, is illustrated as follows:

SUBJECT'S HISTORIC OPERATING PERFORMANCE						
Period	Occupancy	% Change	ADR	% Change	RevPAR	% Change
Year Ended: 12/31/2016	93%	---	\$195.39	---	\$180.85	---
Year Ended: 12/31/2017	85%	-8.4%	\$222.17	13.7%	\$188.40	4.2%
Source: CBRE/Property Management						

The subject property has been operating with new management and has been under some duress relative to ownership and management changes/difficulties with litigation and change over. There has been discussion of difficulty keeping corporate contracts and there has been cancellation with OTA's, which are highly important in the New York industry. Thus the recent operating performance is reviewed but not heavily relied upon given recent history.

FORECAST OF OCCUPANCY AND AVERAGE DAILY RATE

The average daily rate and the overall occupancy of a lodging facility are the foundation for the property's financial performance. While a property's other revenue components (food and beverage, telephone, spa, other income, etc) are crucial to the operation of the hotel, they are dependent on the overall number of occupied rooms. Furthermore, the occupancy and average daily rate of a hotel are highly correlated. In reality, one cannot make a projection of one without a projection of the other. Therefore, while we have made specific projections of occupancy, but have considered the subject's positioned rate in our forecast.

In order to project the future occupancy levels of the subject, we have estimated the level of patronage by market segment that can be reasonably captured (penetration). The extent to which the subject can capture demand from each market segment was estimated by performing a fair share penetration analysis.

A hotel's fair share is defined as the number of available rooms divided by the total supply of available rooms in the competitive market, including the subject. Factors indicating the subject would possess competitive advantages suggest a market penetration in excess of 100 percent of fair share, while competitive weaknesses are reflected in penetration less than 100 percent.

Penetration

Penetration is the relationship between a market's fair share and its actual share of the overall demand. For example, a 100-room hotel would equate to 10% of a 1,000 room competitive set. If this hotel were to capture 10% of the overall lodging demand, it would penetrate the market by 100 percent.

Market penetration, or penetration rate, is the ratio of captured demand to fair share of demand. Factors indicating competitive advantages are typically reflected in penetration rates above 100 percent, while, conversely, competitive disadvantages are reflected in penetration rates below 100 percent. Actual penetration of each market segment by the Subject may deviate from fair market share for the reasons such as the following:

- The competitive advantages or disadvantages of the hotel versus the competition taking into consideration such factors as age, location, room rate structure, chain affiliation, quality of management, marketing efforts, and image;
- The characteristics, needs, and composition of each market segment;
- The restraint on demand captured due to capacity constraints during certain periods of the week or times of the year; and
- Management decisions concerning target markets.

The current market penetration rates of the competitive hotels and the subject, broken down by demand segment, are illustrated as follows:

SEGMENTED PENETRATION													
Property	2018 Average Room Count	Estimated 2018 Occupancy	Estimated 2018 Occupancy	2018 Fair Share	2018 Fair Share	Segmented Market Share				Segmented Penetration			
						Corp. Individual	Group	Leisure	Total	Corp. Individual	Group	Leisure	Total
MADE Hotel	104	60.0%	60% - 65%	6.7%	0% - 10%	3.5%	3.0%	5.9%	4.8%	45% - 55%	40% - 50%	85% - 95%	70% - 80%
Hotel Hayden	122	75.0%	75% - 80%	7.8%	5% - 15%	7.2%	4.3%	7.5%	7.1%	85% - 95%	50% - 60%	90% - 100%	85% - 95%
Kimpton Hotel Eventi	292	93.0%	90% - 95%	18.7%	15% - 25%	24.3%	25.8%	18.5%	21.1%	125% - 135%	135% - 145%	90% - 100%	110% - 120%
Ace Hotel New York	285	92.0%	90% - 95%	18.3%	15% - 25%	17.6%	24.9%	21.4%	20.4%	90% - 100%	130% - 140%	110% - 120%	105% - 115%
The James New York NoMad	337	85.0%	85% - 90%	21.6%	15% - 25%	25.6%	27.2%	19.5%	22.2%	115% - 125%	120% - 130%	85% - 95%	100% - 110%
The Redbury New York	259	75.0%	75% - 80%	16.6%	10% - 20%	15.2%	9.2%	15.8%	15.1%	85% - 95%	50% - 60%	90% - 100%	85% - 95%
The Evelyn	160	75.0%	75% - 80%	10.3%	5% - 15%	6.7%	5.7%	11.4%	9.3%	60% - 70%	50% - 60%	105% - 115%	85% - 95%
Total/Avg	1,559	82.6%	82.6%	100.0%		100.0%	100.0%	100.0%	100.0%	100%	100%	100%	100%
Compiled by CBRE													

SUBJECT PENETRATION

Given the discussion above relative to the subject operating with litigation and management difficulties, the property is considered to underperform the set as each of the properties has recently undergone a significant upgrade whereby the subject has not. We propose upon a considerable refresh or renovation the property will penetrate at a higher level, albeit pricing considered. Considerate of the subject location, its position in the market, quality of the property, and prudent management, the property should obtains near its fair share of penetration in the commercial segment and leisure segment, yet will lag in the meetings and group segment.

The projected penetration of the subject is illustrated in the following chart:

PROJECTED SUBJECT PENETRATION SCHEDULE								
Year Ending 7/31/	2019	2020	2021	2022	2023	2024	2025	2026
SUBJECT PROPERTY FAIR SHARE								
Market Room Supply	1,712	1,715	1,715	1,715	1,715	1,715	1,715	1,715
Subject Avg. Room Count	64	64	64	64	64	64	64	64
Fair Share	3.7%	3.7%	3.7%	3.7%	3.7%	3.7%	3.7%	3.7%
ROOM NIGHTS CAPTURED BY SUBJECT								
Corp. Individual								
Fair Share	3.7%	3.7%	3.7%	3.7%	3.7%	3.7%	3.7%	3.7%
Penetration Factor	80.0%	90.0%	98.0%	98.0%	98.0%	98.0%	98.0%	98.0%
Market Share	3.0%	3.4%	3.7%	3.7%	3.7%	3.7%	3.7%	3.7%
Demand	190,115	196,197	197,462	197,698	197,678	198,201	197,642	197,624
Market Share	3.0%	3.4%	3.7%	3.7%	3.7%	3.7%	3.7%	3.7%
Capture	5,686	6,589	7,221	7,230	7,229	7,249	7,228	7,227
Group								
Fair Share	3.7%	3.7%	3.7%	3.7%	3.7%	3.7%	3.7%	3.7%
Penetration Factor	50.0%	60.0%	70.0%	70.0%	70.0%	70.0%	70.0%	70.0%
Market Share	1.9%	2.2%	2.6%	2.6%	2.6%	2.6%	2.6%	2.6%
Demand	45,011	46,449	46,746	46,800	46,793	46,915	46,781	46,774
Market Share	1.9%	2.2%	2.6%	2.6%	2.6%	2.6%	2.6%	2.6%
Capture	841	1,040	1,221	1,223	1,222	1,226	1,222	1,222
Leisure								
Fair Share	3.7%	3.7%	3.7%	3.7%	3.7%	3.7%	3.7%	3.7%
Penetration Factor	80.0%	90.0%	98.0%	98.0%	98.0%	98.0%	98.0%	98.0%
Market Share	3.0%	3.4%	3.7%	3.7%	3.7%	3.7%	3.7%	3.7%
Demand	306,488	316,349	318,446	318,880	318,906	319,805	318,955	318,980
Market Share	3.0%	3.4%	3.7%	3.7%	3.7%	3.7%	3.7%	3.7%
Capture	9,166	10,625	11,646	11,662	11,663	11,696	11,665	11,666
Compiled by CBRE								

The overall accommodated room night demand is multiplied by the subject's fair share and by the projected penetration ratio to derive the subject's accommodated room night demand. Although the subject's illustrated occupancy rates increase after the stabilized year, we have selected 86% as the stabilized occupancy figure. The stabilized occupancy figure is intended to be an average figure over the projected holding period. The following depicts the derivation of the occupancy projections for the subject.

SUBJECT PROPERTY ESTIMATED OCCUPANCY ADJUSTED TO PROJECTION DATES				
Competitive Set Year Ending 7/30/	2018	2019	2020	2021
Room Nights Captured		15,693	18,254	20,089
Available Room Nights		23,360	23,424	23,360
Potential Subject Occupancy		67.2%	77.9%	86.0%
Rounded Occupancy		67%	78%	86%
Overall Potential Subject Market Share		2.9%	3.3%	3.6%
Overall Potential Subject Penetration		77.5%	87.5%	95.7%
Adjustment to Projection Year Ending 8/25/	2019	2020	2021	2022
First Year %	7.1%	7.1%	7.1%	7.1%
Second Year %	92.9%	92.9%	92.9%	92.9%
Adjusted Room Nights Accommodated	15,872	18,389	20,090	20,115
Projection Period Fiscal Year Occupancy	67.9%	78.5%	86.0%	86.1%
Rounded Occupancy	68%	79%	86%	86%
Overall Market Occupancy	86.5%	89.3%	89.9%	90.0%
Overall Market Share	3.0%	3.3%	3.6%	3.6%
Overall Penetration	78.6%	88.4%	95.7%	95.6%
Captured Room Nights (Based on Rounded Occ.)	15,885	18,505	20,090	20,090
Adjustment to Projection Year Ending 8/25/	2019	2020	2021	2022
First Year %	7.1%	7.1%	7.1%	7.1%
Second Year %	92.9%	92.9%	92.9%	92.9%
Adjusted Room Nights Accommodated	15,872	18,389	20,090	20,115
Projection Period Fiscal Year Occupancy	67.9%	78.5%	86.0%	86.1%
Rounded Occupancy	68%	79%	86%	86%
Overall Market Occupancy	86.8%	89.1%	89.9%	90.0%
Overall Market Share	2.9%	3.3%	3.6%	3.6%
Overall Penetration	78.3%	88.6%	95.7%	95.6%
Captured Room Nights (Based on Rounded Occ.)	15,885	18,505	20,090	20,090
Compiled by CBRE				

Average Daily Rate

As noted previously, one of the most important considerations in deriving an opinion of value of a hotel is its forecast of a supportable average daily rate (ADR). The ADR of a hotel can be calculated by dividing the total rooms revenue by the total number of occupied rooms achieved during a specified period of time.

SUBJECT'S COMPETITIVE POSITIONING

Although the forecast of average daily rate follows the discussion of future occupancy, these two figures are highly correlated, and one cannot make projections of occupancy without specific assumptions of ADR. This relationship is defined by RevPAR, or Revenue Per Available Room. RevPAR is the measure of a property's ability to maximize rooms revenue. Theoretically, for example, if a lodging property's ADR increases substantially (with no market influencing factors), its occupancy would decrease. Conversely, if a property's ADR decreases, an increase in occupancy would be anticipated. In each instance, RevPAR would remain unchanged. The historic ADR and RevPAR for the subject and the competitive set is illustrated as follows:

SUBJECT AND COMPETITIVE ADR AND REVPAR				
Property	2017 ADR	2017 RevPAR	2018 ADR	2018 RevPAR
MADE Hotel	\$200.00	\$100.00	\$205 - \$215	\$125 - \$130
Hotel Hayden	\$210.00	\$115.50	\$215 - \$225	\$160 - \$170
Kimpton Hotel Eventi	\$315.00	\$292.95	\$320 - \$330	\$295 - \$305
Ace Hotel New York	\$280.00	\$254.80	\$285 - \$295	\$260 - \$270
The James New York NoMad	\$250.00	\$212.50	\$245 - \$255	\$210 - \$220
The Redbury New York	\$207.00	\$155.25	\$205 - \$215	\$155 - \$165
The Evelyn	\$200.00	\$140.00	\$195 - \$205	\$145 - \$155
Market Weighted Average	\$255.57	\$205.00	\$258.36	\$213.51
Subject's Positioned ADR as of 7/31/2018:	\$222.17		\$230.00	
Source: CBRE				

As illustrated in the preceding chart, the subject is generally at the lower point of the range relative to the competitive properties with respect to rate. This is a function of the subject's recent developments of the hotel going through litigation and management changes. We expect the property would perform at a higher level, given a property improvement plan which would enable it to better compete and stronger management with better revenue management to achieve higher performance. The property has a good and very competitive location, has good infrastructure and is a smaller property enabling management to be nimble in terms of its operations and revenue management.

The subject's historic ADR is illustrated as follows:

SUBJECT'S HISTORIC ADR TRENDS		
Period	ADR	% Change
Year Ended: 12/31/2016	\$195.39	--
Year Ended: 12/31/2017	\$222.17	13.7%
Source: CBRE/Property Management		

FACTORS AFFECTING ADR

The First Quarter 2017 Hotel Marketview report produced by CBRE, Inc. Econometric Advisors (CBRE-EA) included the following guidance regarding ADR and RevPAR:

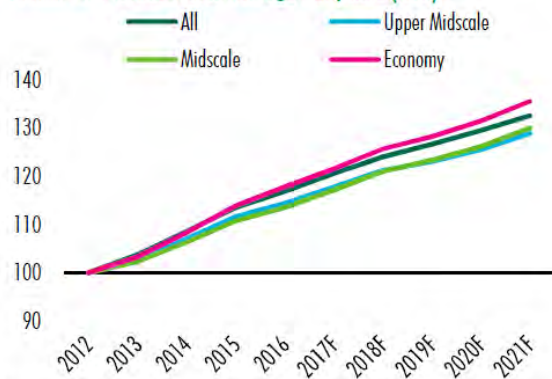
ADR Shows Slow, Steady Gain

Record occupancy produced only modest ADR gains, with rates increasing 2.5% year-over-year in Q1. With the highest occupancy levels, luxury and upper-upscale properties registered the greatest ADR gains in Q1. Economy hotels also enjoyed relatively strong ADR growth (2.4%), despite recording the lowest occupancy level. The upscale segment lagged the most in ADR growth.

RevPAR growth among the scales had more variation, with midscale hotels increasing the most at 3.5% year-over-year. Upper-upscale hotels' RevPAR growth accelerated to 3% year-over-year in Q1 compared with 0.6% in Q4 2016. Overall the industry registered year-over-year RevPAR growth of 3.4%.

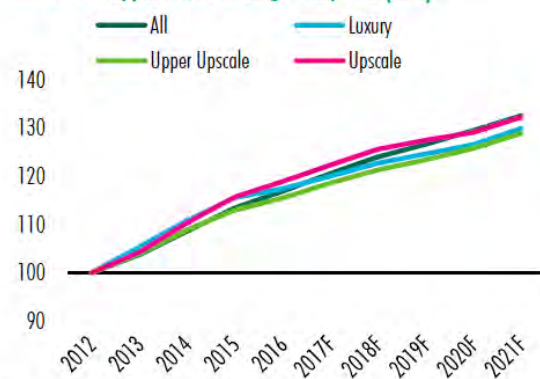
The March-May, 2017 Hotel Horizons publication of CBRE Hotels included the following graphs depicting historical and forecast growth of ADR by segment.

Exhibit 14*: Lower-Priced Average Daily Rate (ADR)



Source: CBRE Hotels' Americas Research, STR, Q4 2016

Exhibit 15*: Upper-Priced Average Daily Rate (ADR)



Source: CBRE Hotels' Americas Research, STR, Q4 2016

There are several factors affecting average daily rate increases that do not necessarily parallel changes in inflation. A lodging property's ability to raise room rates are influenced by several factors, and include:

Supply and Demand Relationships

The relationship between supply and demand is a strong determining factor for increases or decreases in a property's average daily rate. In markets where supply is limited and demand is strong, increases in rates above inflationary levels are common. Conversely, markets that have low barriers to entry or declining demand are often characterized by little or no growth in rate.

Inflationary Pressures

Price increases caused by inflationary pressures tend to minimize profit margins, thereby forcing hotel operators to raise rates. However, this is only effective in markets where supply and demand exhibit a healthy relationship.

Improving the Competitive Standard

In some markets, a new property may enter the marketplace with a positioned ADR significantly higher than the other competitive hotels, and will raise the level the market will bear, thereby raising the competitive standard. This is often characterized by a new hotels in a market that has had little or no new supply for several years or even decades.

Property Specific Improvements

Capital Improvements in a hotel that make it more attractive to guests typically have an upward impact on rate. Rooms renovations, expansions, additional amenities, and renovations to common areas may allow greater than inflationary increases.

According to local hotel professionals and rental agencies, ADR trends for the area are anticipated to increase for 2019 albeit somewhat less than an inflationary level. Given the recent developments of area competitors, including refreshes improvements at 5 of the 7 properties, the

market would propose the property to undergo some renovation, and once complete, rate increases will be expected. Given the property has been largely mismanaged, losing corporate contracts, and not having a marketing team in place to retain or obtain corporate contracts, and losing placement with OTA's, etc., we propose a property refresh/refit and prudent management that would have a marketing program and good marketing effort, the property will get to be positioned as a good quality upscale full service boutique hotel which will be more competitive than currently positioned. Thus, we have forecasted an above average level of increase to the ADR given prudent management and marketing efforts.

The projections for ADR growth and the resulting rates used in the analysis are illustrated as follows:

SUBJECT'S ESTIMATED ADR		
12 Months Ending	ADR Growth	Estimated ADR
7/31/2018	--	\$230.00
8/25/2018	0.0%	\$230.00
8/25/2019	5.0%	\$241.50
8/25/2020	10.0%	\$265.65
8/25/2021	3.0%	\$273.62
8/25/2022	3.0%	\$281.83
8/25/2023	3.0%	\$290.28
8/25/2024	3.0%	\$298.99
8/25/2025	3.0%	\$307.96
Source: CBRE		

CONCLUSION

The subject's occupancy, ADR, RevPAR, and corresponding room revenue for the first several years of our projection analysis are illustrated as follows:

OCCUPANCY, ADR, & ROOMS REVENUE CONCLUSIONS				
Fiscal Year Ending 8/25/	2019	2020	2021	2022
Avg. Available Rooms	64	64	64	64
Annual Room Nights	23,360	23,424	23,360	23,360
Occupancy	68%	79%	86%	86%
Occupied Rooms	15,885	18,505	20,090	20,090
ADR	\$241.50	\$265.65	\$273.62	\$281.83
RevPAR	\$164.22	\$209.86	\$235.31	\$242.37
RevPAR Growth		27.8%	12.1%	3.0%
Total Rooms Revenue	\$3,836,179	\$4,915,843	\$5,496,906	\$5,661,813
Source: CBRE				

Based on the foregoing analysis, the indicated occupancy and ADR figures are achievable. Although it is possible that the subject will experience growth in occupancy and ADR above those estimated in this report, it is also possible that sudden economic downturns, unexpected additions

to rooms supply, the end of the oil boom, or other external factors will force the property below the selected point of stability. Consequently, the estimated occupancy and ADR levels are representative of the most likely potential operations of the subject over the projected holding period based on our analysis of the market as of the date of this appraisal.

Our projections include a sustainable occupancy and market supported ADR. The subject is undergoing an exhaustive renovation that will include all aspects of the hotel and will ultimately improve its competitive positioning. The subject's projection of rooms revenue is illustrated again in the Income Capitalization Section of this report.

Highest and Best Use

In appraisal practice, the concept of highest and best use represents the premise upon which value is based. The four criteria the highest and best use must meet are:

- legally permissible;
- physically possible;
- financially feasible; and
- maximally productive.

The highest and best use analysis of the subject is discussed below.

AS VACANT

Legally Permissible

The legally permissible uses were discussed in the Site Analysis and Zoning Sections.

Physically Possible

The subject is adequately served by utilities, and has an adequate shape and size, sufficient access, etc., to be a separately developable site. There are no known physical reasons why the subject site would not support any legally probable development (i.e. it appears adequate for development).

Existing structures on similar sites provides additional evidence for the physical possibility of development.

Financially Feasible

Potential uses of the site include hotel and office uses. The determination of financial feasibility is dependent primarily on the relationship of supply and demand for the legally probable land uses versus the cost to create the uses. As discussed in the market analysis, the subject hotel market is generally stabilized. Development of new hotel properties has occurred in the past few years illustrating developers and operators alike conclude financial feasibility.

Alternative uses include office use, however based on current market conditions, this is not a reasonable use for the site.

Maximally Productive - Conclusion

The final test of highest and best use of the site as if vacant is that the use be maximally productive, yielding the highest return to the land.

Based on the information presented above and upon information contained in the market and neighborhood analysis, we conclude that the highest and best use of the subject as if vacant would be the development of a hotel property. More specifically, the subject would be developed at a density maximizing the floor area potential.

AS IMPROVED

Legally Permissible

The site has been improved with a hotel development that is a legal, nonconforming use.

Physically Possible

The layout and positioning of the improvements are considered functional for hotel use. While it would be physically possible for a wide variety of uses, based on the legal restrictions and the design of the improvements, the continued use of the property for hotel users would be the most functional use.

Financially Feasible

The financial feasibility of a hotel property is based on the amount of rent which can be generated, less operating expenses required to generate that income; if a residual amount exists, then the land is being put to a productive use. Based upon the income capitalization approach conclusion, the subject is producing a positive net cash flow and continued utilization of the improvements for hotel purposes is considered financially feasible. Further, the value of the improvements detailed clearly exceeds the underlying land value.

Maximally Productive - Conclusion

As shown in the applicable valuation sections, buildings that are similar to the subject have been acquired or continue to be used by hotel owners/tenants. None of the comparable buildings have been acquired for conversion to an alternative use.

Based on the foregoing, the highest and best use of the property, as improved, is consistent with the existing use as a hotel development.

Appraisal Methodology

In appraisal practice, an approach to value is included or omitted based on its applicability to the property type being valued and the quality and quantity of information available.

COST APPROACH

The cost approach is based on the proposition that the informed purchaser would pay no more for the subject than the cost to produce a substitute property with equivalent utility. This approach is particularly applicable when the property being appraised involves relatively new improvements that represent the highest and best use of the land, or when it is improved with relatively unique or specialized improvements for which there exist few sales or leases of comparable properties.

SALES COMPARISON APPROACH

The sales comparison approach utilizes sales of comparable properties, adjusted for differences, to indicate a value for the subject. Valuation is typically accomplished using physical units of comparison such as price per square foot, price per unit, price per floor, etc., or economic units of comparison such as gross rent multiplier. Adjustments are applied to the physical units of comparison derived from the comparable sale. The unit of comparison chosen for the subject is then used to yield a total value. Economic units of comparison are not adjusted, but rather analyzed as to relevant differences, with the final estimate derived based on the general comparisons.

INCOME CAPITALIZATION APPROACH

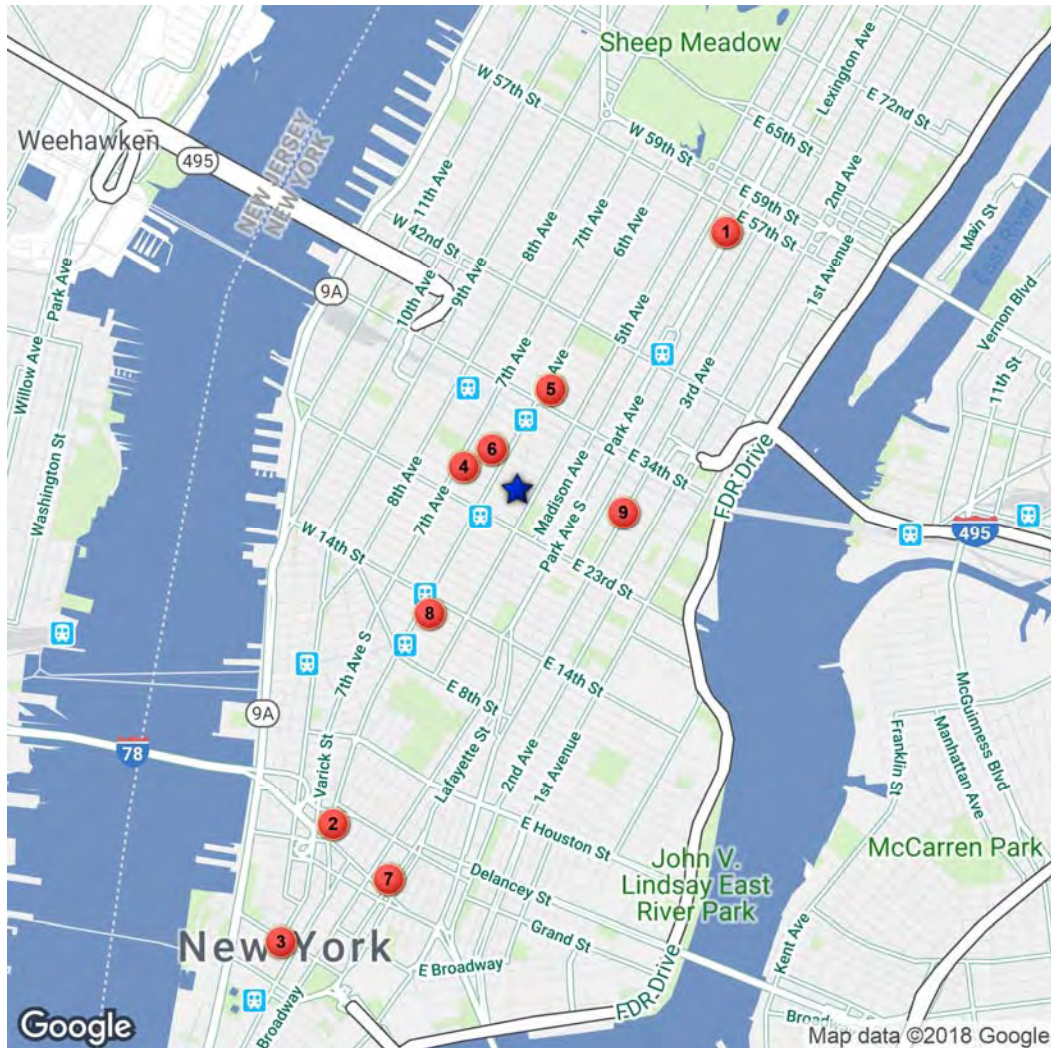
The income capitalization approach reflects the subject's income-producing capabilities. This approach is based on the assumption that value is created by the expectation of benefits to be derived in the future. Specifically estimated is the amount an investor would be willing to pay to receive an income stream plus reversion value from a property over a period of time. The two common valuation techniques associated with the income capitalization approach are direct capitalization and the discounted cash flow (DCF) analysis.

METHODOLOGY APPLICABLE TO THE SUBJECT

In valuing the subject, only the sales comparison and income capitalization approaches are applicable and have been used. The cost approach is not applicable in the estimation of market value due to subjective nature of estimating depreciation. The exclusion of said approach(s) is not considered to compromise the credibility of the results rendered herein.

Sales Comparison Approach

The following map and table summarize the comparable data used in the valuation of the subject. A detailed description of each transaction is included in the addenda.



SUMMARY OF COMPARABLE HOTEL SALES								
No.	Name	Transaction Type	Date	Year Built	No. Rooms	Actual Sale Price	Adjusted Sale Price ¹	Price Per Room
1	Gansevoort Park Avenue 420 Park Avenue South, New York, NY	Sale	Dec-17	2010	249	\$200,000,000	\$200,000,000	\$803,213
2	James 27-31 Grand Street, New York	Sale	Dec-17	2010	114	\$66,300,000	\$66,300,000	\$581,579
3	Smyth Hotel, 85 West Broadway, NY	Sale	Nov-17	2007	100	\$72,226,000	\$72,226,000	\$722,260
4	Hilton Fashion, 152 West 26th Street, Chelsea, NY	Sale	Dec-16	2009	280	\$139,657,500	\$139,657,500	\$498,777
5	Hilton Gaden Inn 63 West 35th Street, Herald Square, New York	Sale	Dec-16	2009	298	\$139,725,000	\$139,725,000	\$468,876
6	Hilton Garden Inn 121 West 28th Street, Chelsea, NY	Sale	Jul-16	2009	169	\$65,000,000	\$65,000,000	\$384,615
7	Howard Hotel, 11 Howard Street, New York	Sale	Apr-16	1907/2016	221	\$170,000,000	\$170,000,000	\$769,231
8	The Jade, 52 West 13th Street, Greenwich Village, NY	Sale	Jan-16	2013	113	\$78,000,000	\$78,000,000	\$690,265
9	Martha Washington, 29 East 29th Street, New York, NY	Sale	Nov-15	1902	256	\$171,500,000	\$171,500,000	\$669,922
Subj. Pro Forma	Flatiron Hotel, 9 West 26th Street (aka 1141 Broadway), New York, New York	---	---	1927	64	---	---	---

¹ Adjusted sale price for cash equivalency, lease-up and/or deferred maintenance (where applicable)

Compiled by CBRE

DISCUSSION/ANALYSIS OF IMPROVED SALES

The sales utilized represent the best data available for comparison with the subject. They were selected from our research of comparable improved sales within the greater New York area. These sales were chosen based upon date of sale, location and scale of hotel. Generally, speaking hotel assets have very differing character and have a wide array of amenities and are highly subject to operating performance which is subject to franchise associations, management proficiency and efficiency and a wide array of locational and physical attributes. We have prepared an adjustment grid analysis to compare the sales to the subject for such items as location, size, amenities, quality of construction, economics, and other items such as franchise, however the adjustment process is highly subjective and thus only provides a guide in support of the income approach to value which is the most reliable approach in analyzing hotel assets similar to the subject. The following adjustment table illustrates the summary of adjustments.

SUMMARY OF ADJUSTMENTS

Based on our comparative analysis, the following chart summarizes the adjustments warranted to each comparable.

HOTEL SALES ADJUSTMENT GRID										Subj. Pro Forma Flatiron
Comparable Number	1	2	3	4	5	6	7	8	9	
Name	Gansevoort Park Avenue Sale	James New York Sale	Smyth Hotel, 85 Sale	Hilton Fashion Sale	Hilton Gaden Inn Herald Sale	Hilton Garden Inn Chelsea Sale	Howard Hotel Sale	The Jade Sale	Martha Washington Sale	
Transaction Type	Sale	Sale	Sale	Sale	Sale	Sale	Sale	Sale	Sale	---
Transaction Date	Dec-17	Dec-17	Nov-17	Dec-16	Dec-16	Jul-16	Apr-16	Jan-16	Nov-15	---
Year Built	2010	2010	2010	2009	2009	2009	1907/2016	2013	1902	1927
No. Rooms	249	114	100	280	298	169	221	113	256	64
Actual Sale Price	\$200,000,000	\$66,300,000	\$72,226,000	\$139,657,500	\$139,725,000	\$65,000,000	\$170,000,000	\$78,000,000	\$171,500,000	---
Adjusted Sale Price ¹	\$200,000,000	\$66,300,000	\$72,226,000	\$139,657,500	\$139,725,000	\$65,000,000	\$170,000,000	\$78,000,000	\$171,500,000	---
Adj. Price Per Room	\$803,213	\$581,579	\$722,260	\$498,777	\$468,876	\$384,615	\$769,231	\$690,265	\$669,922	
Property Rights Conveyed	0%	0%	0%	0%	0%	0%	0%	0%	0%	
Financing Terms ¹	0%	0%	0%	0%	0%	0%	0%	0%	0%	
Conditions of Sale	0%	0%	0%	0%	0%	0%	0%	0%	0%	
Market Conditions (Time)	0%	0%	0%	0%	0%	0%	0%	0%	0%	
Subtotal - Price Per Room	\$803,213	\$581,579	\$722,260	\$498,777	\$468,876	\$384,615	\$769,231	\$690,265	\$669,922	
Location	0%	0%	0%	10%	15%	10%	0%	-5%	5%	
Average Room Size	-5%	0%	-5%	0%	0%	0%	0%	0%	0%	
Age/Condition	-5%	0%	0%	0%	0%	0%	0%	0%	5%	
Quality of Construction	0%	0%	0%	0%	0%	0%	0%	0%	0%	
Economic Factors	0%	0%	0%	0%	0%	0%	0%	0%	0%	
Amenities	-5%	-5%	0%	5%	10%	10%	0%	10%	0%	
Brand	0%	0%	0%	5%	5%	5%	0%	0%	0%	
Total Other Adjustments	-15%	-5%	-5%	20%	30%	25%	0%	5%	10%	
Indicated Value Per Room	\$682,731	\$552,500	\$686,147	\$598,532	\$609,539	\$480,769	\$769,231	\$724,779	\$736,914	
Absolute Adjustment	15%	5%	5%	20%	30%	25%	0%	15%	0%	

¹ Adjusted for cash equivalency, lease-up and/or deferred maintenance (where applicable)
Compiled by CBRE

Overall, the Adjusted Comparables Sales illustrate a range from \$480,769 to \$769,231 per room averaging at \$649,016. The most representative of the sales however are those independent properties noted as Sale 1, 2, 3, 7, 8 and 9, these sales illustrated a somewhat higher adjusted value of \$692,050. We placed most emphasis on the independent sales.

The following table summarizes the stabilized value indications and the concluded value of the subject, via the Sales Comparison Approach.

SALES COMPARISON APPROACH				
Total Rooms	X	Value Per Room	=	Value
64	X	\$725,000	=	\$46,400,000
64	X	\$750,000	=	\$48,000,000

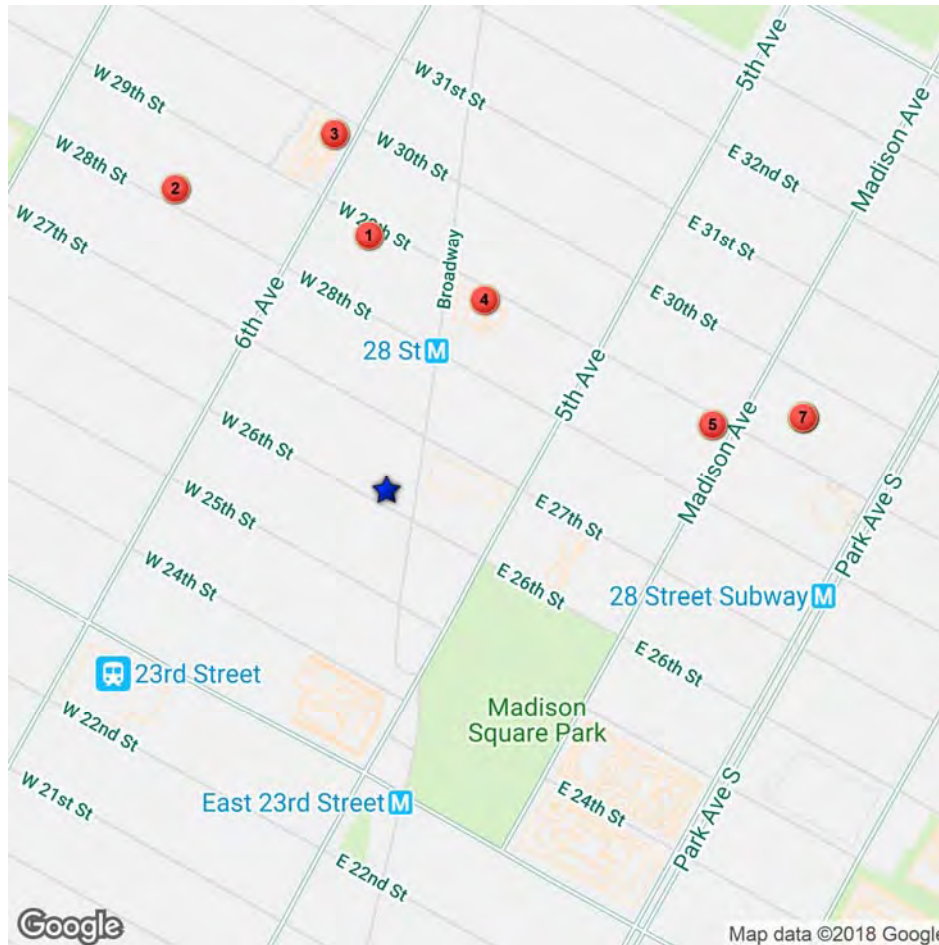
VALUE CONCLUSION

Indicated Stabilized Value	\$47,200,000
Property Improvement Plan Cost	(\$3,000,000)
Stabilization Discount	(\$3,500,000)
Indicated As Is Value	\$40,700,000
Rounded	\$40,700,000
Value Per Room	\$635,938

Compiled by CBRE

Income Capitalization Approach

The following map and table summarize the primary comparable data used in the valuation of the subject. A detailed description of each transaction is included in the addenda.



PRIMARY COMPETITIVE HOTELS											
12 Months Ending July 31, 2018											
Property	Number of Rooms	Percentage Competitive	Year Built	Affiliation	Competitive Date	Rooms	Occ.	Occupancy Penetration	ADR	RevPAR	RevPAR Penetration
MADE Hotel	104	100%	2017	Aug-17	104	60% - 65%	70% - 80%	\$205 - \$215	75% - 85%	\$125 - \$130	55% - 65%
Hotel Hayden	122	100%	2009	Jan-17	122	75% - 80%	85% - 95%	\$215 - \$225	80% - 90%	\$160 - \$170	70% - 80%
Kimpton Hotel Eventi	292	100%	2010	May-10	292	90% - 95%	110% - 120%	\$320 - \$330	120% - 130%	\$295 - \$305	135% - 145%
Ace Hotel New York	285	100%	2009	May-09	285	90% - 95%	105% - 115%	\$285 - \$295	105% - 115%	\$260 - \$270	120% - 130%
The James New York NoMad	337	100%	1904	Jun-17	337	85% - 90%	100% - 110%	\$245 - \$255	90% - 100%	\$210 - \$220	90% - 100%
The Redbury New York	259	100%	2001	Jan-16	259	75% - 80%	85% - 95%	\$205 - \$215	75% - 85%	\$155 - \$165	70% - 80%
The Evelyn	160	100%	1903	Jul-17	160	75% - 80%	85% - 95%	\$195 - \$205	70% - 80%	\$145 - \$155	65% - 75%
Overall Totals/Averages	1,559				1,559	83%		\$258.36			
Compiled by CBRE											

PRIMARY COMPETITION										
Estimated 2018 Market Mix										
Property	Corp.			Occupied Room Nights			Restaurant	Lounge	Business Center	Exercise Facilities
	Individual	Group	Leisure	Corp.	Individual	Group				
MADE Hotel	25%	5%	70%	5,694	1,139	15,943	Y	Y	Y	Y
Hotel Hayden	35%	5%	60%	11,689	1,670	20,039	Y	Y	Y	Y
Kimpton Hotel Eventi	40%	10%	50%	39,648	9,912	49,560	Y	Y	Y	Y
Ace Hotel New York	30%	10%	60%	28,711	9,570	57,422	Y	Y	Y	Y
The James New York NoMad	40%	10%	50%	41,822	10,455	52,277	Y	Y	Y	Y
The Redbury New York	35%	5%	60%	24,815	3,545	42,541	Y	Y	Y	Y
The Evelyn	25%	5%	70%	10,950	2,190	30,660	Y	Y	Y	Y
Overall Totals/Averages	35%	8%	57%	163,329	38,481	268,441				
Compiled by CBRE										

SUMMARY OF COMPETITIVE PROPERTIES

The prior tables summarize the primary competitive set applicable to the subject property. These properties have been analyzed and were described in detail in the hotel market analysis section.

The primary competitive set, excluding the subject, has a total of 1,559 rooms. The trailing 12 month as of July 2018 occupancy and ADR achieved by these properties was roughly 83% and \$258, respectively.

OCCUPANCY, ADR, AND REVPAR CONCLUSIONS

The subject's occupancy, ADR, RevPAR, and corresponding room revenue for the first several years of our projection analysis are illustrated below and were discussed and analyzed in the hotel market analysis. The following charts summarize in the market analysis section of the report:

OCCUPANCY, ADR, & ROOMS REVENUE CONCLUSIONS				
Fiscal Year Ending 8/25/	2019	2020	2021	2022
Avg. Available Rooms	64	64	64	64
Annual Room Nights	23,360	23,424	23,360	23,360
Occupancy	68%	79%	86%	86%
Occupied Rooms	15,885	18,505	20,090	20,090
ADR	\$241.50	\$265.65	\$273.62	\$281.83
RevPAR	\$164.22	\$209.86	\$235.31	\$242.37
RevPAR Growth		27.8%	12.1%	3.0%
Total Rooms Revenue	\$3,836,179	\$4,915,843	\$5,496,906	\$5,661,813
Source: CBRE				

INCOME AND EXPENSE HISTORY

Historical income and expense data was made available and is summarized in the table that follows. For purposes of our analysis, we assume the information provided is accurate. Where applicable, we have reclassified the available information to conform to the *Uniform System of Accounts for the Lodging Industry*, an industry-standard accounting format. The *Uniform System of Accounts for the Lodging Industry* was developed by the American Hotel & Motel Association and is in general use throughout the hospitality industry. In conformance with this system of account classifications, only direct operating expenses are charged to operating departments of the hotel. The general overhead items which are applicable to operations as a whole are classified as undistributed operating expenses and include administration and general expenses,

marketing expenses, property operations and maintenance expenses, energy and utility costs, management fees, property taxes, insurance, and a reserve for replacement. The subject operating statements have been reconstructed to conform to the *Uniform System of Accounts for the Lodging Industry*.

The following are summaries of the available subject operating historical operating results.

SUBJECT OPERATING HISTORY								
Period Reported:	Complete Calendar Year Ended:				Complete Calendar Year Ended:			
	12/31/2016				12/31/2017			
Days Open	366				365			
No. of Rooms	64				64			
Occupied Room Nights	21,681				19,809			
Occupancy	92.6%				84.8%			
Average Daily Rate	\$195.39				\$222.17			
RevPAR	\$180.85				\$188.40			
	Total	Ratio to Sales	PAR	POR	Total	Ratio to Sales	PAR	POR
REVENUE								
Rooms	\$4,236,236	92.2%	\$66,191	\$195.39	\$4,401,023	91.4%	\$68,766	\$222.17
Food & Beverage	-	0.0%	\$0	\$0.00	-	0.0%	\$0	\$0.00
Other Operated Departments	356,115	7.8%	\$5,564	\$16.43	415,599	8.6%	\$6,494	\$20.98
Total Operating Revenue	\$4,592,351	100.0%	\$71,755	\$211.81	\$4,816,622	100.0%	\$75,260	\$243.15
DEPARTMENTAL EXPENSES								
Rooms Expense	\$1,358,771	32.1%	\$21,231	\$62.67	\$1,457,203	33.1%	\$22,769	\$73.56
Food & Beverage Expense	-	-	\$0	\$0.00	-	-	\$0	\$0.00
Other Operated Departments Expense	-	0.0%	\$0	\$0.00	-	0.0%	\$0	\$0.00
Total Departmental Expenses	\$1,358,771	29.6%	\$21,231	\$62.67	\$1,457,203	30.3%	\$22,769	\$73.56
DEPARTMENTAL PROFIT	\$3,233,580	70.4%	\$50,525	\$149.14	\$3,359,419	69.7%	\$52,491	\$169.59
UNDISTRIBUTED OPERATING EXPENSES								
Administrative and General	\$629,480	13.7%	\$9,836	\$29.03	\$724,902	15.1%	\$11,327	\$36.59
Information and Telecommunications Systems	72,466	1.6%	\$1,132	\$3.34	58,695	1.2%	\$917	\$2.96
Marketing	67,039	1.5%	\$1,047	\$3.09	6,549	0.1%	\$102	\$0.33
Franchise Fees	-	0.0%	\$0	\$0.00	-	0.0%	\$0	\$0.00
Property Operations and Maintenance	213,166	4.6%	\$3,331	\$9.83	183,262	3.8%	\$2,863	\$9.25
Utilities	234,529	5.1%	\$3,665	\$10.82	218,707	4.5%	\$3,417	\$11.04
Total Undistributed Expenses	\$1,216,680	26.5%	\$19,011	\$56.12	\$1,192,115	24.8%	\$18,627	\$60.18
GROSS OPERATING PROFIT	\$2,016,900	43.9%	\$31,514	\$93.03	\$2,167,304	45.0%	\$33,864	\$109.41
Management Fee	\$0	0.0%	\$0	\$0.00	\$0	0.0%	\$0	\$0.00
INCOME BEFORE NON-OPERATING INCOME AND EXPENSES	\$2,016,900	43.9%	\$31,514	\$93.03	\$2,167,304	45.0%	\$33,864	\$109.41
NON-OPERATING INCOME AND EXPENSES								
Property Taxes	\$590,390	12.9%	\$9,225	\$27.23	\$637,318	13.2%	\$9,958	\$32.17
Insurance	179,612	3.9%	\$2,806	\$8.28	112,467	2.3%	\$1,757	\$5.68
Reserve for Replacement	-	0.0%	\$0	\$0.00	147,637	3.1%	\$2,307	\$7.45
Total Non-Operating Income and Expenses	\$770,002	16.8%	\$12,031	\$35.51	\$897,422	18.6%	\$14,022	\$45.30
NET INCOME (EBITDA)	\$1,246,898	27.2%	\$19,483	\$57.51	\$1,269,882	26.4%	\$19,842	\$64.11

* Departmental expense ratios are based on departmental revenues; Franchise/Royalty ratio is based on room revenues; all others are based on total revenues.

Source: Hotel Operating Statements

INCOME AND EXPENSE COMPARABLES

This analysis incorporates revenue estimates based on our survey of comparable and competitive properties, and general market trend information. The revenue and expense comparisons include four full service hotels all located in the region. The comparable hotels' financial information is obtained in part from confidential information submitted for the 2018 edition (2017 year-end data) of the CBRE Hotels' Americas Research publication *Trends® in the Hotel Industry* (U.S. edition). For reasons of confidentiality, we have not disclosed the identity of the comparable hotels. The following charts summarize income and expenses taken from regional revenue/expense comparables as well as data from the STR Host Report and the *Trends® in the Hotel Industry* (U.S. edition) report.

COMPARABLE INCOME AND EXPENSE DATA - SELECTED HOTELS

Property Location	Comparable 1				Comparable 2				Comparable 3				Comparable 4	
Hotel Description / Name	Midtown Full Service Upscale Full Service				Midtown Full Service Luxury Full Service				Midtown Full Service Upscale Select Service				Midtown Full Service Upscale	
Year	2017				2015				2017				2017	
Days Open	365				365				365				365	
Avg. No. of Rooms	292				114				158				285	
Occupancy	93.9%				87.9%				93.1%				92.4%	
Average Daily Rate	\$322.63				\$393.42				\$240.20				\$283.94	
	Total	Ratio to Sales	PAR	POR	Total	Ratio to Sales	PAR	POR	Total	Ratio to Sales	PAR	POR	Total	Ratio to Sales
REVENUE														
Rooms	\$32,288,789	78.9%	\$110,578	\$322.63	\$14,389,317	87.2%	\$126,222	\$393.42	\$12,896,293	99.4%	\$81,622	\$240.20	\$27,292,388	96.5%
Food & Beverage	8,086,955	19.7%	\$27,695	\$80.81	852,229	5.2%	\$7,476	\$23.30	-	0.0%	\$0	\$0.00	-	0.0%
Other Operated Departments	146,834	0.4%	\$503	\$1.47	10,150	0.1%	\$89	\$0.28	23,128	0.2%	\$146	\$0.43	753,484	2.7%
Miscellaneous Income	424,032	1.0%	\$1,452	\$4.24	1,241,063	7.5%	\$10,887	\$33.93	58,830	0.5%	\$372	\$1.10	246,366	0.9%
Total Operating Revenue	\$40,946,610	100.0%	\$140,228	\$409.14	\$16,492,759	100.0%	\$144,673	\$450.93	\$12,978,251	100.0%	\$82,141	\$241.72	\$28,292,238	100.0%
DEPARTMENTAL EXPENSES*														
Rooms Expense	\$9,669,278	29.9%	\$33,114	\$96.62	\$5,040,227	35.0%	\$44,213	\$137.80	\$2,342,695	18.2%	\$14,827	\$43.63	\$9,605,414	35.2%
Food & Beverage Expense	6,809,421	84.2%	\$23,320	\$68.04	993,881	116.6%	\$8,718	\$27.17	-	0.0%	\$0	\$0.00	506,587	0.0%
Other Operated Departments Expense	102,270	69.7%	\$350	\$1.02	10,288	101.4%	\$90	\$0.28	14,724	63.7%	\$93	\$0.27	182,080	24.2%
Total Departmental Expenses	\$16,580,969	40.5%	\$56,784	\$165.68	\$6,044,396	36.6%	\$53,021	\$165.26	\$2,357,419	18.2%	\$14,920	\$43.91	\$10,294,081	36.4%
DEPARTMENTAL PROFIT	\$24,365,641	59.5%	\$83,444	\$243.46	\$10,448,363	63.4%	\$91,652	\$285.67	\$10,620,832	81.8%	\$67,220	\$197.81	\$17,998,157	63.6%
UNDISTRIBUTED OPERATING EXPENSES														
Administrative and General	\$3,183,012	7.8%	\$10,901	\$31.81	\$1,523,423	9.2%	\$13,363	\$41.65	\$797,152	6.1%	\$5,045	\$14.85	\$2,327,130	8.2%
Information and Telecommunications Systems	563,250	1.4%	\$1,929	\$5.63	324,579	2.0%	\$2,847	\$8.87	102,405	0.8%	\$648	\$1.91	414,911	1.5%
Marketing	2,996,536	7.3%	\$10,262	\$29.94	1,282,092	7.8%	\$11,246	\$35.05	1,360,757	10.5%	\$8,612	\$25.34	1,853,707	6.6%
Property Operations and Maintenance	1,378,627	3.4%	\$4,721	\$13.78	1,180,958	7.2%	\$10,359	\$32.29	302,990	2.3%	\$1,918	\$5.64	1,530,956	5.4%
Utilities	872,997	2.1%	\$2,990	\$8.72	346,510	2.1%	\$3,040	\$9.47	342,438	2.6%	\$2,167	\$6.38	728,017	2.6%
Total Undistributed Expenses	\$8,994,422	22.0%	\$30,803	\$89.87	\$4,657,562	28.2%	\$40,856	\$127.34	\$2,905,742	22.4%	\$18,391	\$54.12	\$6,854,721	24.2%
GROSS OPERATING PROFIT	\$15,371,219	37.5%	\$52,641	\$153.59	\$5,790,801	35.1%	\$50,797	\$158.33	\$7,715,090	59.4%	\$48,830	\$143.69	\$11,143,436	39.4%
Management Fee	\$1,209,596	3.0%	\$4,142	\$12.09	\$559,530	3.4%	\$4,908	\$15.30	\$389,348	3.0%	\$2,464	\$7.25	\$601,067	2.1%
INCOME BEFORE NON-OPERATING INCOME AND EXPENSES	\$14,161,623	34.6%	\$48,499	\$141.50	\$5,231,271	31.7%	\$45,888	\$143.03	\$7,325,742	56.4%	\$46,365	\$136.44	\$10,542,369	37.3%
NON-OPERATING INCOME AND EXPENSES														
Property Taxes	3,917,332	9.6%	\$13,416	\$39.14	1,321,094	8.0%	\$11,589	\$36.12	1,729,377	13.3%	\$10,945	\$32.21	1,731,656	6.1%
Insurance	97,339	0.2%	\$333	\$0.97	204,569	1.2%	\$1,794	\$5.59	66,059	0.5%	\$418	\$1.23	269,044	1.0%
Reserve for Replacement	-	0.0%	\$0	\$0.00	-	0.0%	\$0	\$0.00	-	0.0%	\$0	\$0.00	-	0.0%
Non-Operating Income	288,557	0.7%	\$988	\$2.88	-	0.0%	\$0	\$0.00	-	0.0%	\$0	\$0.00	-	0.0%
Non-Operating Rent	184,567	0.5%	\$632	\$1.84	9,422	0.1%	\$83	\$0.26	(38,752)	-0.3%	-\$245	-\$0.72	21,663	0.1%
Total Non-Operating Income and Expenses	\$4,487,795	11.0%	\$15,369	\$44.84	\$1,535,085	9.3%	\$13,466	\$41.97	\$1,756,684	13.5%	\$11,118	\$32.72	\$2,022,363	7.1%
			\$0	\$0.00			\$0	\$0.00			\$0	\$0.00		
NET INCOME (EBITDA)	\$9,673,828	23.6%	\$33,130	\$96.66	\$3,696,186	22.4%	\$32,423	\$101.06	\$5,569,058	42.9%	\$35,247	\$103.72	\$8,520,006	30.1%

* Departmental expense ratios are based on departmental revenues; Franchise/Royalty ratio is based on room revenues; all others are based on total revenues.

Source: Hotel Operating Statements

COMPARABLE HOTEL OPERATING STATISTICS - SELECTED CATEGORIES - 2018 HOST REPORT																		
Property	HOST Report - Weighted Average			Full Service Total U.S.			Full Service Independent			Full Service Middle Atlantic			Full Service Chain-Affiliated			Full Service Urban		
Year	2017			2017			2017			2017			2017			2017		
Avg. No. of Rooms	293			287			218			298			295			368		
Occupancy	74.8%			74.2%			70.1%			77.8%			74.5%			75.9%		
Average Daily Rate	\$210.44			\$193.82			\$220.02			\$235.74			\$191.89			\$212.06		
	Ratio to Sales	PAR	POR	Ratio to Sales	PAR	POR	Ratio to Sales	PAR	POR	Ratio to Sales	PAR	POR	Ratio to Sales	PAR	POR	Ratio to Sales	PAR	POR
REVENUE																		
Rooms	65.4%	\$57,380	\$210.44	64.2%	\$52,383	\$193.82	55.2%	\$56,740	\$220.02	71.0%	\$66,491	\$235.74	65.1%	\$52,046	\$191.89	68.0%	\$58,548	\$212.06
Food & Beverage	28.1%	\$24,792	\$91.40	28.5%	\$23,267	\$86.09	33.6%	\$34,515	\$133.84	24.9%	\$23,328	\$82.71	28.0%	\$22,395	\$82.57	27.1%	\$23,317	\$84.46
Other Operated Departments	3.7%	\$3,349	\$12.48	4.3%	\$3,471	\$12.84	7.3%	\$7,541	\$29.24	1.9%	\$1,769	\$6.27	3.9%	\$3,155	\$11.63	2.6%	\$2,200	\$7.97
Miscellaneous Income	2.8%	\$2,490	\$9.21	3.1%	\$2,499	\$9.24	3.9%	\$3,968	\$15.39	2.3%	\$2,125	\$7.53	3.0%	\$2,385	\$8.79	2.3%	\$1,986	\$7.19
Total Operating Revenue	100.0%	\$88,011	\$323.52	100.0%	\$81,619	\$302.00	100.0%	\$102,764	\$398.50	100.0%	\$93,714	\$332.25	100.0%	\$79,981	\$294.89	100.0%	\$86,052	\$311.68
DEPARTMENTAL EXPENSES																		
Rooms Expense	28.1%	\$16,210	\$59.40	26.3%	\$13,768	\$50.94	29.2%	\$16,567	\$64.24	31.8%	\$21,118	\$74.87	26.0%	\$13,552	\$49.97	27.4%	\$16,057	\$58.16
Food & Beverage Expense	75.8%	\$18,782	\$69.15	71.6%	\$16,653	\$61.62	74.0%	\$25,527	\$98.99	87.0%	\$20,291	\$71.94	71.3%	\$15,966	\$58.87	74.9%	\$17,472	\$63.29
Other Operated Departments Expense	75.4%	\$2,501	\$9.31	77.7%	\$2,697	\$9.98	71.3%	\$5,377	\$20.85	80.2%	\$1,418	\$5.03	78.9%	\$2,490	\$9.18	69.3%	\$1,525	\$5.52
Total Departmental Expenses	42.4%	\$37,493	\$137.87	40.6%	\$33,119	\$122.55	46.2%	\$47,471	\$184.08	45.7%	\$42,827	\$151.84	40.0%	\$32,008	\$118.01	40.7%	\$35,054	\$126.97
DEPARTMENTAL PROFIT	57.6%	\$50,518	\$185.66	59.4%	\$48,500	\$179.45	53.8%	\$55,293	\$214.41	54.3%	\$50,887	\$180.41	60.0%	\$47,973	\$176.88	59.3%	\$50,998	\$184.72
UNDISTRIBUTED OPERATING EXPENSES																		
Administrative and General	8.0%	\$7,056	\$25.97	7.6%	\$6,230	\$23.05	9.3%	\$9,536	\$36.98	8.2%	\$7,662	\$27.17	7.5%	\$5,974	\$22.03	7.7%	\$6,603	\$23.92
Information and Telecommunications Systems	1.5%	\$1,307	\$4.79	1.5%	\$1,240	\$4.59	1.0%	\$1,040	\$4.03	1.6%	\$1,508	\$5.35	1.6%	\$1,255	\$4.63	1.6%	\$1,397	\$5.06
Marketing	6.7%	\$5,872	\$21.56	6.8%	\$5,570	\$20.61	5.9%	\$6,049	\$23.46	6.5%	\$6,130	\$21.73	6.9%	\$5,533	\$20.40	7.1%	\$6,067	\$21.97
Franchise Fees	1.2%	\$1,032	\$3.77	1.5%	\$1,232	\$4.56	0.3%	\$306	\$1.19	1.2%	\$1,091	\$3.87	1.6%	\$1,304	\$4.81	1.2%	\$1,040	\$3.77
Property Operations and Maintenance	4.3%	\$3,758	\$13.82	4.2%	\$3,396	\$12.56	4.7%	\$4,825	\$18.71	4.5%	\$4,185	\$14.84	4.1%	\$3,285	\$12.11	4.0%	\$3,438	\$12.45
Utilities	2.9%	\$2,557	\$9.40	3.0%	\$2,444	\$9.04	2.9%	\$3,007	\$11.66	2.8%	\$2,645	\$9.38	3.0%	\$2,400	\$8.85	2.8%	\$2,431	\$8.81
Total Undistributed Expenses	24.5%	\$21,581	\$79.31	24.6%	\$20,111	\$74.41	24.1%	\$24,762	\$96.02	24.8%	\$23,222	\$82.33	24.7%	\$19,751	\$72.82	24.4%	\$20,977	\$75.98
GROSS OPERATING PROFIT	31.9%	\$27,905	\$102.58	33.3%	\$27,156	\$100.48	29.4%	\$30,225	\$117.21	28.4%	\$26,574	\$94.22	33.7%	\$26,918	\$99.25	33.7%	\$28,981	\$104.97
Management Fee	3.3%	\$2,863	\$10.49	3.4%	\$2,797	\$10.35	2.3%	\$2,342	\$9.08	3.3%	\$3,120	\$11.06	3.5%	\$2,832	\$10.44	3.5%	\$3,040	\$11.01
INCOME BEFORE NON-OPERATING INCOME AND EXPENSES	29.8%	\$26,074	\$95.85	31.4%	\$25,592	\$94.69	27.4%	\$28,189	\$109.31	26.2%	\$24,545	\$87.02	31.7%	\$25,390	\$93.62	31.4%	\$26,980	\$97.72
NON-OPERATING INCOME AND EXPENSES																		
Property Taxes	4.1%	\$3,584	\$13.07	3.4%	\$2,770	\$10.25	2.6%	\$2,692	\$10.44	6.1%	\$5,730	\$20.32	3.5%	\$2,777	\$10.24	4.3%	\$3,657	\$13.25
Insurance	0.9%	\$769	\$2.84	0.9%	\$744	\$2.75	1.2%	\$1,259	\$4.88	0.7%	\$633	\$2.25	0.9%	\$705	\$2.60	0.8%	\$660	\$2.39
Reserve for Replacement	1.9%	\$1,671	\$6.13	2.2%	\$1,758	\$6.51	1.3%	\$1,291	\$5.00	1.8%	\$1,678	\$5.95	2.2%	\$1,795	\$6.62	2.0%	\$1,723	\$6.24
Non-Operating Income	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Non-Operating Rent	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total Non-Operating Income and Expenses	4.9%	\$4,354	\$15.92	4.3%	\$3,515	\$13.01	3.8%	\$3,951	\$15.32	6.8%	\$6,364	\$22.56	4.4%	\$3,481	\$12.83	5.0%	\$4,317	\$15.64
Incentive Management Fee	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Ground Rent	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
NET INCOME (EBITDA)	24.9%	\$21,720	\$79.93	27.0%	\$22,077	\$81.69	23.6%	\$24,237	\$93.99	19.4%	\$18,181	\$64.46	27.4%	\$21,909	\$80.78	26.3%	\$22,663	\$82.09
Source: The 2018 HOST Report, for the year 2017. Smith Travel Research																		

Source: The 2018 HOST Report, for the year 2017, Smith Travel Research

FIXED AND VARIABLE REVENUE AND EXPENSE ANALYSIS

Operating revenues and expenses for hotels have a component that is fixed and a component that is variable with respect to increases or decreases in occupancy. The fixed component increases at an inflationary level, while the variable component is adjusted in proportion to the use of the hotel facility.

The applicable fixed and variable ratios were derived through discussions with hotel experts and are consistent with industry norms. These ratios and the associated revenue component drivers are illustrated as follows:

FIXED AND VARIABLE AMOUNTS			
COMPONENT	FIXED %	VARIABLE %	VAR. DRIVER
REVENUE			
Rooms	N/A	N/A	N/A
Food & Beverage	20.0%	80.0%	Occ Rooms
Other Operated Departments	30.0%	70.0%	Occ Rooms
Miscellaneous Income	20.0%	80.0%	Occ Rooms
DEPARTMENTAL EXPENSES			
Rooms Expense	60.0%	40.0%	Occ Rooms
Food & Beverage Expense	40.0%	60.0%	Food Rev
Other Operated Departments Expense	50.0%	50.0%	MOR Rev
Miscellaneous Income Expense	50.0%	50.0%	Rental Rev
UNDISTRIBUTED OPERATING EXPENSES			
Administrative and General	90.0%	10.0%	Total Rev
Information and Telecommunications	85.0%	15.0%	Total Rev
Marketing	70.0%	30.0%	Total Rev
Franchise Fees	N/A	N/A	See Detail
% of Room Revenue			
% of F&B Revenue			
% of Other Revenue			
% of Total Revenue			
Property Operations and Maintenance	70.0%	30.0%	Total Rev
Utilities	90.0%	10.0%	Total Rev
FIXED CHARGES			
Property Taxes	100.0%	0.0%	N/A
Insurance	100.0%	0.0%	N/A
Reserve for Replacement	0.0%	100.0%	N/A
Source: CBRE			

DEPARTMENTAL PROJECTIONS

Rooms Department

ROOMS REVENUES

The subject's and the comparable data revenues for this department as a percentage of total revenues, as a percentage of Rooms department revenues, and on a per occupied room basis are summarized as follows:

ROOMS REVENUE				
Year	Total \$ (000's)	As a % of Revenue	Per Available Room	Per Occupied Room
Subject Complete Calendar Year Ended: Dec 31, 2016	\$4,236	92.2%	\$66,191	\$195.39
Subject Complete Calendar Year Ended: Dec 31, 2017	\$4,401	91.4%	\$68,766	\$222.17
Comparable 1	\$32,289	78.9%	\$110,578	\$322.63
Comparable 2	\$14,389	87.2%	\$126,222	\$393.42
Comparable 3	\$12,896	99.4%	\$81,622	\$240.20
Comparable 4	\$27,292	96.5%	\$95,763	\$283.94
HOST Report - Weighted Average	N/A	65.4%	\$57,380	\$210.44
HOST Report - Full Service Total U.S.	N/A	64.2%	\$23,267	\$86.09
HOST Report - Full Service Independent	N/A	55.2%	\$56,740	\$220.02
HOST Report - Full Service Middle Atlantic	N/A	65.1%	\$52,046	\$191.89
HOST Report - Full Service Chain-Affiliated	N/A	65.1%	\$52,046	\$191.89
HOST Report - Full Service Urban	N/A	68.0%	\$58,548	\$212.06
DCF Estimate - YR 1	\$3,836	92.7%	\$59,940	\$241.50
DCF Stabilized Estimate - YR 3	\$5,497	93.6%	\$85,889	\$273.62
Compiled by CBRE				

Analysis of Rooms Department Revenues were previously provided.

ROOMS EXPENSES

Rooms expenses include labor costs such as salaries and wages for front desk, housekeeping, reservations, bell staff and laundry, plus employee benefits. Also included herein are linens, cleaning supplies, guest supplies, uniforms, central or franchise reservation fees, equipment leases and travel agent commissions. In this case, travel agent commissions and other related costs are being included in franchise fees below because this is how the subject operating statements are constructed. Payroll costs are typically the largest component. A hotel is labor-intensive, although relatively low-paying. Overall, wages typically account for 50% to 60% of the total departmental expense. The comparable data and projections for the subject are summarized as follows:

ROOMS EXPENSE				
Year	Total \$ (000's)	As a % of Dept. Revenue	Per Available Room	Per Occupied Room
Subject Complete Calendar Year Ended: Dec 31, 2016	\$1,359	32.1%	\$21,231	\$62.67
Subject Complete Calendar Year Ended: Dec 31, 2017	\$1,457	33.1%	\$22,769	\$73.56
Comparable 1	\$9,669	29.9%	\$33,114	\$96.62
Comparable 2	\$5,040	35.0%	\$44,213	\$137.80
Comparable 3	\$2,343	18.2%	\$14,827	\$43.63
Comparable 4	\$9,605	35.2%	\$33,703	\$99.93
HOST Report - Weighted Average	N/A	28.1%	\$16,210	\$59.40
HOST Report - Full Service Total U.S.	N/A	26.3%	\$13,768	\$50.94
HOST Report - Full Service Independent	N/A	29.2%	\$16,567	\$64.24
HOST Report - Full Service Middle Atlantic	N/A	31.8%	\$21,118	\$74.87
HOST Report - Full Service Chain-Affiliated	N/A	26.0%	\$13,552	\$49.97
HOST Report - Full Service Urban	N/A	27.4%	\$16,057	\$58.16
DCF Estimate - YR 1	\$1,228	32.0%	\$19,188	\$77.31
DCF Stabilized Estimate - YR 3	\$1,428	26.0%	\$22,319	\$71.10

Compiled by CBRE

Food & Beverage Department

FOOD & BEVERAGE REVENUE

Food & Beverage revenue is generated by a hotel's restaurants, lounges, coffee shops, snack bars, banquet rooms, and room service. In the case of the subject, food revenue is generated by the in house restaurant, however we have determined the real estate itself would generate revenue as a rental in a longer term lease arrangement, verses operating this department internally. The revenue is then considered a rental income stream which is not impacted by departmental or undistributed expense.

Other Operated Departments

OTHER OPERATED DEPARTMENTS REVENUES

Other Operated Departments revenues are those derived from valet parking, guest laundry, gift shop, retail, newsstand, spa et cetera, when operated by the hotel. Also included are revenues generated from sources not included elsewhere, such as on-demand movie rentals, vending machines, fax and business services. The subject's and the comparable data revenues for this department as a percentage of total revenues, on a per available room basis, and on a per occupied room basis are summarized as follows:

OTHER OPERATED DEPARTMENTS REVENUE				
Year	Total \$ (000's)	As a % of Revenue	Per Available Room	Per Occupied Room
Subject Complete Calendar Year Ended: Dec 31, 2016	\$356	7.8%	\$5,564	\$16.43
Subject Complete Calendar Year Ended: Dec 31, 2017	\$416	8.6%	\$6,494	\$20.98
Comparable 1	\$147	0.4%	\$503	\$1.47
Comparable 2	\$10	0.1%	\$89	\$0.28
Comparable 3	\$23	0.2%	\$146	\$0.43
Comparable 4	\$753	2.7%	\$2,644	\$7.84
HOST Report - Weighted Average	N/A	3.7%	\$3,349	\$12.48
HOST Report - Full Service Total U.S.	N/A	4.3%	\$3,471	\$12.84
HOST Report - Full Service Independent	N/A	7.3%	\$7,541	\$29.24
HOST Report - Full Service Middle Atlantic	N/A	1.9%	\$1,769	\$6.27
HOST Report - Full Service Chain-Affiliated	N/A	3.9%	\$3,155	\$11.63
HOST Report - Full Service Urban	N/A	2.6%	\$2,200	\$7.97
DCF Estimate - YR 1	\$300	7.3%	\$4,691	\$18.90
DCF Stabilized Estimate - YR 3	\$373	6.4%	\$5,831	\$18.58
Compiled by CBRE				

OTHER OPERATED DEPARTMENTAL EXPENSES

Other Operated Departmental expenses are those expenses (labor and other) which offset the revenue generated by other operated departments, such as garage, guest laundry, athletic facilities and gift shop, as well as rental activity. The comparable data and projections for the subject are summarized as follows:

OTHER OPERATED DEPARTMENTS EXPENSE				
Year	Total \$ (000's)	As a % of Dept. Revenue	Per Available Room	Per Occupied Room
Subject Complete Calendar Year Ended: Dec 31, 2016	\$0	0.0%	\$0	\$0.00
Subject Complete Calendar Year Ended: Dec 31, 2017	\$0	0.0%	\$0	\$0.00
Comparable 1	\$102	69.7%	\$350	\$1.02
Comparable 2	\$10	101.4%	\$90	\$0.28
Comparable 3	\$15	63.7%	\$93	\$0.27
Comparable 4	\$182	24.2%	\$639	\$1.89
HOST Report - Weighted Average	N/A	75.4%	\$2,501	\$9.31
HOST Report - Full Service Total U.S.	N/A	77.7%	\$2,697	\$9.98
HOST Report - Full Service Independent	N/A	71.3%	\$5,377	\$20.85
HOST Report - Full Service Middle Atlantic	N/A	80.2%	\$1,418	\$5.03
HOST Report - Full Service Chain-Affiliated	N/A	78.9%	\$2,490	\$9.18
HOST Report - Full Service Urban	N/A	69.3%	\$1,525	\$5.52
DCF Estimate - YR 1	\$75	25.0%	\$1,172	\$4.72
DCF Stabilized Estimate - YR 3	\$93	25.0%	\$1,458	\$4.64
Compiled by CBRE				

TOTAL OPERATING REVENUE

The subject's total operating revenue estimates are detailed as follows:

TOTAL OPERATING REVENUE				
Year	Total \$ (000's)	As a % of Revenue	Per Available Room	Per Occupied Room
Subject Complete Calendar Year Ended: Dec 31, 2016	\$4,592	100.0%	\$71,755	\$211.81
Subject Complete Calendar Year Ended: Dec 31, 2017	\$4,817	100.0%	\$75,260	\$243.15
Comparable 1	\$40,947	100.0%	\$140,228	\$409.14
Comparable 2	\$16,493	100.0%	\$144,673	\$450.93
Comparable 3	\$12,978	100.0%	\$82,141	\$241.72
Comparable 4	\$28,292	100.0%	\$99,271	\$294.35
HOST Report - Weighted Average	N/A	100.0%	\$88,011	\$323.52
HOST Report - Full Service Total U.S.	N/A	100.0%	\$81,619	\$302.00
HOST Report - Full Service Independent	N/A	100.0%	\$102,764	\$398.50
HOST Report - Full Service Middle Atlantic	N/A	100.0%	\$93,714	\$332.25
HOST Report - Full Service Chain-Affiliated	N/A	100.0%	\$79,981	\$294.89
HOST Report - Full Service Urban	N/A	100.0%	\$86,052	\$311.68
DCF Estimate - YR 1	\$4,136	100.0%	\$64,631	\$260.40
DCF Stabilized Estimate - YR 3	\$5,870	100.0%	\$91,720	\$292.20
Compiled by CBRE				

The projections for the subject vary from the historical data because of the reduction in room count.

TOTAL DEPARTMENTAL EXPENSES

The subject's total departmental expense estimates are detailed as follows:

TOTAL DEPARTMENTAL EXPENSES				
Year	Total \$ (000's)	As a % of Total Dept. Revenue	Per Available Room	Per Occupied Room
Subject Complete Calendar Year Ended: Dec 31, 2016	\$1,359	29.6%	\$21,231	\$62.67
Subject Complete Calendar Year Ended: Dec 31, 2017	\$1,457	30.3%	\$22,769	\$73.56
Comparable 1	\$16,581	40.5%	\$56,784	\$165.68
Comparable 2	\$6,044	36.6%	\$53,021	\$165.26
Comparable 3	\$2,357	18.2%	\$14,920	\$43.91
Comparable 4	\$10,294	36.4%	\$36,120	\$107.10
HOST Report - Weighted Average	N/A	42.4%	\$37,493	\$137.87
HOST Report - Full Service Total U.S.	N/A	40.6%	\$33,119	\$122.55
HOST Report - Full Service Independent	N/A	46.2%	\$47,471	\$184.08
HOST Report - Full Service Middle Atlantic	N/A	45.7%	\$42,827	\$151.84
HOST Report - Full Service Chain-Affiliated	N/A	40.0%	\$32,008	\$118.01
HOST Report - Full Service Urban	N/A	40.7%	\$35,054	\$126.97
DCF Estimate - YR 1	\$1,303	31.5%	\$20,360	\$82.03
DCF Stabilized Estimate - YR 3	\$1,522	25.9%	\$23,776	\$75.75

Compiled by CBRE

Departmental Profit

Total departmental profit is as follows.

DEPARTMENTAL PROFIT				
Year	Total \$ (000's)	As a % of Revenue	Per Available Room	Per Occupied Room
Subject Complete Calendar Year Ended: Dec 31, 2016	\$3,234	70.4%	\$50,525	\$149.14
Subject Complete Calendar Year Ended: Dec 31, 2017	\$3,359	69.7%	\$52,491	\$169.59
Comparable 1	\$24,366	59.5%	\$83,444	\$243.46
Comparable 2	\$10,448	63.4%	\$91,652	\$285.67
Comparable 3	\$10,621	81.8%	\$67,220	\$197.81
Comparable 4	\$17,998	63.6%	\$63,151	\$187.25
HOST Report - Weighted Average	N/A	57.6%	\$50,518	\$185.66
HOST Report - Full Service Total U.S.	N/A	59.4%	\$48,500	\$179.45
HOST Report - Full Service Independent	N/A	53.8%	\$55,293	\$214.41
HOST Report - Full Service Middle Atlantic	N/A	54.3%	\$50,887	\$180.41
HOST Report - Full Service Chain-Affiliated	N/A	60.0%	\$47,973	\$176.88
HOST Report - Full Service Urban	N/A	59.3%	\$50,998	\$184.72
DCF Estimate - YR 1	\$2,833	68.5%	\$44,272	\$178.37
DCF Stabilized Estimate - YR 3	\$4,348	74.1%	\$67,944	\$216.45

Compiled by CBRE

EXPENSE PROJECTIONS

In order to estimate expenses for the subject, the following data has been reviewed and analyzed:

- available historical data for the subject;
- published industry averages for similar hotel segments and geographic regions; and
- actual operating expense data for similar properties.

The individual expense categories applicable to the subject are discussed in the following sections.

Undistributed Operating Expenses

Undistributed operating expenses are typically not directly related to an associated revenue source, but can be compared on the basis of total revenues for similar types of hotels. These expenses are therefore compared and estimated as a percentage of total revenues.

ADMINISTRATIVE AND GENERAL EXPENSES

Administrative and general expenses include payroll and related expenses for the general manager, human resources and training, security, clerical staff, controller and accounting staff. Other expenses include office supplies, computer services, accounting and legal fees, cash overages and shortages, bad debt expenses, travel insurance, credit card commissions, transportation (non-guest) and travel and entertainment. These payroll costs are significant. The comparable data and projections for the subject are summarized as follows:

ADMINISTRATIVE AND GENERAL EXPENSES				
Year	Total \$ ('000's)	As a % of Revenue	Per Available Room	Per Occupied Room
Subject Complete Calendar Year Ended: Dec 31, 2016	\$629	13.7%	\$9,836	\$29.03
Subject Complete Calendar Year Ended: Dec 31, 2017	\$725	15.1%	\$11,327	\$36.59
Comparable 1	\$3,183	7.8%	\$10,901	\$31.81
Comparable 2	\$1,523	9.2%	\$13,363	\$41.65
Comparable 3	\$797	6.1%	\$5,045	\$14.85
Comparable 4	\$2,327	8.2%	\$8,165	\$24.21
HOST Report - Weighted Average	N/A	8.0%	\$7,056	\$25.97
HOST Report - Full Service Total U.S.	N/A	7.6%	\$6,230	\$23.05
HOST Report - Full Service Independent	N/A	9.3%	\$9,536	\$36.98
HOST Report - Full Service Middle Atlantic	N/A	8.2%	\$7,662	\$27.17
HOST Report - Full Service Chain-Affiliated	N/A	7.5%	\$5,974	\$22.03
HOST Report - Full Service Urban	N/A	7.7%	\$6,603	\$23.92
DCF Estimate - YR 1	\$352	8.5%	\$5,496	\$22.14
DCF Stabilized Estimate - YR 3	\$472	8.0%	\$7,380	\$23.51

Compiled by CBRE

MARKETING EXPENSES

Marketing expenses include payroll and related expenses for the sales and marketing staff, direct sales expenses, advertising and promotion, travel expenses for the sales staff and civic and community projects. This category may also include a national advertising fee or assessment paid to the franchise company, plus the cost of frequent guest stay programs. In this case, these

franchise related costs are being included below as part of the franchise fee because this is how the subject operating statements are included. Note that the PKF Trends data includes all franchise fees in marketing. The HOST data is inconsistent – franchise fees appear in both. The comparable data and projections for the subject are summarized as follows:

MARKETING EXPENSES				
Year	Total \$ (000's)	As a % of Revenue	Per Available Room	Per Occupied Room
Subject Complete Calendar Year Ended: Dec 31, 2016	\$67	1.5%	\$1,047	\$3.09
Subject Complete Calendar Year Ended: Dec 31, 2017	\$7	0.1%	\$102	\$0.33
Comparable 1	\$2,997	7.3%	\$10,262	\$29.94
Comparable 2	\$1,282	7.8%	\$11,246	\$35.05
Comparable 3	\$1,361	10.5%	\$8,612	\$25.34
Comparable 4	\$1,854	6.6%	\$6,504	\$19.29
HOST Report - Weighted Average	N/A	6.7%	\$5,872	\$21.56
HOST Report - Full Service Total U.S.	N/A	6.8%	\$5,570	\$20.61
HOST Report - Full Service Independent	N/A	5.9%	\$6,049	\$23.46
HOST Report - Full Service Middle Atlantic	N/A	6.5%	\$6,130	\$21.73
HOST Report - Full Service Chain-Affiliated	N/A	6.9%	\$5,533	\$20.40
HOST Report - Full Service Urban	N/A	7.1%	\$6,067	\$21.97
DCF Estimate - YR 1	\$413	10.0%	\$6,446	\$25.97
DCF Stabilized Estimate - YR 3	\$438	7.5%	\$6,844	\$21.80
Compiled by CBRE				

PROPERTY OPERATIONS & MAINTENANCE

Property operations & maintenance expenses includes all payroll and related expenses for maintenance personnel, cost of maintenance supplies, cost of repairs and maintenance of the building, furniture and equipment, the grounds and the removal of waste matter. The comparable data and projections for the subject are summarized as follows:

PROPERTY OPERATIONS AND MAINTENANCE EXPENSES				
Year	Total \$ ('000's)	As a % of Revenue	Per Available Room	Per Occupied Room
Subject Complete Calendar Year Ended: Dec 31, 2016	\$213	4.6%	\$3,331	\$9.83
Subject Complete Calendar Year Ended: Dec 31, 2017	\$183	3.8%	\$2,863	\$9.25
Comparable 1	\$1,379	3.4%	\$4,721	\$13.78
Comparable 2	\$1,181	7.2%	\$10,359	\$32.29
Comparable 3	\$303	2.3%	\$1,918	\$5.64
Comparable 4	\$1,531	5.4%	\$5,372	\$15.93
HOST Report - Weighted Average	N/A	4.3%	\$3,758	\$13.82
HOST Report - Full Service Total U.S.	N/A	4.2%	\$3,396	\$12.56
HOST Report - Full Service Independent	N/A	4.7%	\$4,825	\$18.71
HOST Report - Full Service Middle Atlantic	N/A	4.5%	\$4,185	\$14.84
HOST Report - Full Service Chain-Affiliated	N/A	4.1%	\$3,285	\$12.11
HOST Report - Full Service Urban	N/A	4.0%	\$3,438	\$12.45
DCF Estimate - YR 1	\$184	4.4%	\$2,871	\$11.57
DCF Stabilized Estimate - YR 3	\$226	3.9%	\$3,532	\$11.25
Compiled by CBRE				

UTILITY COSTS

Utility expenses typically include electricity, fuel (oil, gas and coal), purchased steam and water. This category also includes any central plant and energy management systems. The comparable data and projections for the subject are summarized as follows:

UTILITIES EXPENSES				
Year	Total \$ ('000's)	As a % of Revenue	Per Available Room	Per Occupied Room
Subject Complete Calendar Year Ended: Dec 31, 2016	\$235	5.1%	\$3,665	\$10.82
Subject Complete Calendar Year Ended: Dec 31, 2017	\$219	4.5%	\$3,417	\$11.04
Comparable 1	\$873	2.1%	\$2,990	\$8.72
Comparable 2	\$347	2.1%	\$3,040	\$9.47
Comparable 3	\$342	2.6%	\$2,167	\$6.38
Comparable 4	\$728	2.6%	\$2,554	\$7.57
HOST Report - Weighted Average	N/A	2.9%	\$2,557	\$9.40
HOST Report - Full Service Total U.S.	N/A	3.0%	\$2,444	\$9.04
HOST Report - Full Service Independent	N/A	2.9%	\$3,007	\$11.66
HOST Report - Full Service Middle Atlantic	N/A	2.8%	\$2,645	\$9.38
HOST Report - Full Service Chain-Affiliated	N/A	3.0%	\$2,400	\$8.85
HOST Report - Full Service Urban	N/A	2.8%	\$2,431	\$8.81
DCF Estimate - YR 1	\$185	4.5%	\$2,887	\$11.63
DCF Stabilized Estimate - YR 3	\$206	3.5%	\$3,224	\$10.27
Compiled by CBRE				

TOTAL UNDISTRIBUTED OPERATING EXPENSES

The subject's total fixed expense estimates are detailed as follows:

TOTAL UNDISTRIBUTED EXPENSES				
Year	Total \$ (000's)	As a % of Revenue	Per Available Room	Per Occupied Room
Subject Complete Calendar Year Ended: Dec 31, 2016	\$1,217	26.5%	\$19,011	\$56.12
Subject Complete Calendar Year Ended: Dec 31, 2017	\$1,192	24.8%	\$18,627	\$60.18
Comparable 1	\$8,994	22.0%	\$30,803	\$89.87
Comparable 2	\$4,658	28.2%	\$40,856	\$127.34
Comparable 3	\$2,906	22.4%	\$18,391	\$54.12
Comparable 4	\$6,855	24.2%	\$24,052	\$71.31
HOST Report - Weighted Average	N/A	24.5%	\$21,581	\$79.31
HOST Report - Full Service Total U.S.	N/A	24.6%	\$20,111	\$74.41
HOST Report - Full Service Independent	N/A	24.1%	\$24,762	\$96.02
HOST Report - Full Service Middle Atlantic	N/A	24.8%	\$23,222	\$82.33
HOST Report - Full Service Chain-Affiliated	N/A	24.7%	\$19,751	\$72.82
HOST Report - Full Service Urban	N/A	24.4%	\$20,977	\$75.98
DCF Estimate - YR 1	\$1,191	28.8%	\$18,608	\$74.97
DCF Stabilized Estimate - YR 3	\$1,406	24.0%	\$21,970	\$69.99
Compiled by CBRE				

Management Fees

The projection of income and expense assumes competent management by a professional management company. We assume that upon a sale, if the subject could be obtained free and clear of any prior management encumbrance, a prudent investor would retain competent management with fees structured at current rates. Some companies provide management services alone, while others offer both management services and a brand name affiliation. When a management company has no brand identification, the property owner can often acquire a franchise that provides the necessary image and recognition. Management fees have typically equated to roughly 3 to 5 percent of total revenues. The comparable data and projections for the subject are summarized as follows:

MANAGEMENT FEE				
Year	Total \$ ('000's)	As a % of Revenue	Per Available Room	Per Occupied Room
Subject Complete Calendar Year Ended: Dec 31, 2016	\$0	0.0%	\$0	\$0.00
Subject Complete Calendar Year Ended: Dec 31, 2017	\$0	0.0%	\$0	\$0.00
Comparable 1	\$1,210	3.0%	\$4,142	\$12.09
Comparable 2	\$560	3.4%	\$4,908	\$15.30
Comparable 3	\$389	3.0%	\$2,464	\$7.25
Comparable 4	\$601	2.1%	\$2,109	\$6.25
HOST Report - Weighted Average	N/A	3.3%	\$2,863	\$10.49
HOST Report - Full Service Total U.S.	N/A	3.4%	\$2,797	\$10.35
HOST Report - Full Service Independent	N/A	2.3%	\$2,342	\$9.08
HOST Report - Full Service Middle Atlantic	N/A	3.3%	\$3,120	\$11.06
HOST Report - Full Service Chain-Affiliated	N/A	3.5%	\$2,832	\$10.44
HOST Report - Full Service Urban	N/A	3.5%	\$3,040	\$11.01
DCF Estimate - YR 1	\$124	3.0%	\$1,939	\$7.81
DCF Stabilized Estimate - YR 3	\$176	3.0%	\$2,752	\$8.77
Compiled by CBRE				

Income Before Non-Operating Income and Expenses

INCOME BEFORE NON-OPERATING INCOME AND EXPENSES				
Year	Total \$ ('000's)	As a % of Revenue	Per Available Room	Per Occupied Room
Subject Complete Calendar Year Ended: Dec 31, 2016	\$2,017	43.9%	\$31,514	\$93.03
Subject Complete Calendar Year Ended: Dec 31, 2017	\$2,167	45.0%	\$33,864	\$109.41
Comparable 1	\$14,162	34.6%	\$48,499	\$141.50
Comparable 2	\$5,231	31.7%	\$45,888	\$143.03
Comparable 3	\$7,326	56.4%	\$46,365	\$136.44
Comparable 4	\$10,542	37.3%	\$36,991	\$109.68
HOST Report - Weighted Average	N/A	29.8%	\$26,074	\$95.85
HOST Report - Full Service Total U.S.	N/A	31.4%	\$25,592	\$94.69
HOST Report - Full Service Independent	N/A	27.4%	\$28,189	\$109.31
HOST Report - Full Service Middle Atlantic	N/A	26.2%	\$24,545	\$87.02
HOST Report - Full Service Chain-Affiliated	N/A	31.7%	\$25,390	\$93.62
HOST Report - Full Service Urban	N/A	31.4%	\$26,980	\$97.72
DCF Estimate - YR 1	\$1,518	36.7%	\$23,725	\$95.59
DCF Stabilized Estimate - YR 3	\$2,766	47.1%	\$43,223	\$137.70
Compiled by CBRE				

Non-Operating Income and Expenses

These items are typically not directly related to an associated revenue source, and are typically not compared on the basis of total revenues for similar types of hotels. These expenses are therefore not typically compared and estimated as a percentage of total revenues. This general category also includes other income that is not directly related to operations (such as cell tower income and longer term rental of space).

PROPERTY TAXES

Property taxes were discussed in greater detail previously in this report. The projections for the subject are summarized as follows:

PROPERTY TAXES				
Year	Total \$ (000's)	As a % of Revenue	Per Available Room	Per Occupied Room
Subject Complete Calendar Year Ended: Dec 31, 2016	\$590	12.9%	\$9,225	\$27.23
Subject Complete Calendar Year Ended: Dec 31, 2017	\$637	13.2%	\$9,958	\$32.17
Comparable 1	\$3,917	9.6%	\$13,416	\$39.14
Comparable 2	\$1,321	8.0%	\$11,589	\$36.12
Comparable 3	\$1,729	13.3%	\$10,945	\$32.21
Comparable 4	\$1,732	6.1%	\$6,076	\$18.02
HOST Report - Weighted Average	N/A	4.1%	\$3,584	\$13.07
HOST Report - Full Service Total U.S.	N/A	3.4%	\$2,770	\$10.25
HOST Report - Full Service Independent	N/A	2.6%	\$2,692	\$10.44
HOST Report - Full Service Middle Atlantic	N/A	6.1%	\$5,730	\$20.32
HOST Report - Full Service Chain-Affiliated	N/A	3.5%	\$2,777	\$10.24
HOST Report - Full Service Urban	N/A	4.3%	\$3,657	\$13.25
DCF Estimate - YR 1	\$808	19.5%	\$12,632	\$50.90
DCF Stabilized Estimate - YR 3	\$981	16.7%	\$15,330	\$48.84
Compiled by CBRE				

INSURANCE

The insurance expense includes the cost of insuring the hotel building and contents against fire, weather, sprinkler leakage, boiler explosion, plate glass breakage, or other perils such as terrorism. This category includes all insurance costs except workers' compensation. The comparable data and projections for the subject are summarized as follows:

INSURANCE				
Year	Total \$ (000's)	As a % of Revenue	Per Available Room	Per Occupied Room
Subject Complete Calendar Year Ended: Dec 31, 2016	\$180	3.9%	\$2,806	\$8.28
Subject Complete Calendar Year Ended: Dec 31, 2017	\$112	2.3%	\$1,757	\$5.68
Comparable 1	\$97	0.2%	\$333	\$0.97
Comparable 2	\$205	1.2%	\$1,794	\$5.59
Comparable 3	\$66	0.5%	\$418	\$1.23
Comparable 4	\$269	1.0%	\$944	\$2.80
HOST Report - Weighted Average	N/A	0.9%	\$769	\$2.84
HOST Report - Full Service Total U.S.	N/A	0.9%	\$744	\$2.75
HOST Report - Full Service Independent	N/A	1.2%	\$1,259	\$4.88
HOST Report - Full Service Middle Atlantic	N/A	0.7%	\$633	\$2.25
HOST Report - Full Service Chain-Affiliated	N/A	0.9%	\$705	\$2.60
HOST Report - Full Service Urban	N/A	0.8%	\$660	\$2.39
DCF Estimate - YR 1	\$61	1.5%	\$956	\$3.85
DCF Stabilized Estimate - YR 3	\$65	1.1%	\$1,014	\$3.23
Compiled by CBRE				

RESERVES FOR REPLACEMENT

Structural reserves account for the replacement of short-lived items, including the roof, building systems, and parking lot. FF&E reserves for replacement are typically included in hotel expense projections to account for the periodic replacement of the furniture, fixtures and equipment (FF&E). It does not reflect the value of existing FF&E. It is solely an expense to reflect future replacements of short-lived items. This expense can be based on the actual replacement cost of the FF&E, its projected economic life and a reasonable reinvestment rate for the reserve funds (essentially a sinking fund account). An alternative and more widely utilized method is to estimate FF&E reserves based on a percentage of total revenues. Using this method, the typical ratio ranges from 2 to 5 percent of total revenues depending on the quality level of the property and the specific amenities and services present. The comparable data and projections for the subject are summarized as follows:

RESERVE FOR REPLACEMENT				
Year	Total \$ (000's)	As a % of Revenue	Per Available Room	Per Occupied Room
Subject Complete Calendar Year Ended: Dec 31, 2016	\$0	0.0%	\$0	\$0.00
Subject Complete Calendar Year Ended: Dec 31, 2017	\$148	3.1%	\$2,307	\$7.45
Comparable 1	\$0	0.0%	\$0	\$0.00
Comparable 2	\$0	0.0%	\$0	\$0.00
Comparable 3	\$0	0.0%	\$0	\$0.00
Comparable 4	\$0	0.0%	\$0	\$0.00
HOST Report - Weighted Average	N/A	1.9%	\$1,671	\$6.13
HOST Report - Full Service Total U.S.	N/A	2.2%	\$1,758	\$6.51
HOST Report - Full Service Independent	N/A	1.3%	\$1,291	\$5.00
HOST Report - Full Service Middle Atlantic	N/A	1.8%	\$1,678	\$5.95
HOST Report - Full Service Chain-Affiliated	N/A	2.2%	\$1,795	\$6.62
HOST Report - Full Service Urban	N/A	2.0%	\$1,723	\$6.24
DCF Estimate - YR 1	\$165	4.0%	\$2,585	\$10.42
DCF Stabilized Estimate - YR 3	\$235	4.0%	\$3,669	\$11.69
Compiled by CBRE				

TOTAL NON-OPERATING INCOME AND EXPENSES

The subject's total non-operating income and expense estimates are detailed as follows:

TOTAL NON-OPERATING INCOME AND EXPENSES				
Year	Total \$ (000's)	As a % of Revenue	Per Available Room	Per Occupied Room
Subject Complete Calendar Year Ended: Dec 31, 2016	\$770	16.8%	\$12,031	\$35.51
Subject Complete Calendar Year Ended: Dec 31, 2017	\$897	18.6%	\$14,022	\$45.30
Comparable 1	\$4,488	11.0%	\$15,369	\$44.84
Comparable 2	\$1,535	9.3%	\$13,466	\$41.97
Comparable 3	\$1,757	13.5%	\$11,118	\$32.72
Comparable 4	\$2,022	7.1%	\$7,096	\$21.04
HOST Report - Weighted Average	N/A	4.9%	\$4,354	\$15.92
HOST Report - Full Service Total U.S.	N/A	4.3%	\$3,515	\$13.01
HOST Report - Full Service Independent	N/A	3.8%	\$3,951	\$15.32
HOST Report - Full Service Middle Atlantic	N/A	6.8%	\$6,364	\$22.56
HOST Report - Full Service Chain-Affiliated	N/A	4.4%	\$3,481	\$12.83
HOST Report - Full Service Urban	N/A	5.0%	\$4,317	\$15.64
DCF Estimate - YR 1	\$10	0.2%	\$158	\$0.64
DCF Stabilized Estimate - YR 3	\$193	3.3%	\$3,022	\$9.63
Compiled by CBRE				

NON-OPERATING INCOME

The has a 3,300 SF retail space including basement kitchen space. In addition the property has a 1,600 SF mezzanine space directly above and immediately accessible from the grade level retail space from both the elevators and glass enclosed stairwell (that wraps around the central fish tank. Lastly, there is 1,000 SF penthouse function space with 600 SF outdoor space, for a total of 1,600 SF, that is also available for third party rental. We have analyzed the retail potential rental which offers the property added income from the space. The following chart illustrates the retail rental s surveyed in the area.

SUMMARY OF RETAIL LEASES								
Comp #	Address Tenant	Tenant	Date	Term (Years)	Space Location	Square Feet	Base Rent PSF	Comments
1	186 Fifth Avenue SWC of W 23rd Street	Bank of America	Jan-18	15	Grade & 2nd	4,881	\$327.80	Taxes over BY
2a	212 Fifth Avenue SWC of Fifth Ave & E 26th Street	Deciem	Dec-17	n/a	Grade	1,230	\$370.00	Taxes over BY
2b	212 Fifth Avenue SWC of Fifth Ave & E 26th Street	Togas House of Textiles	Nov-17	n/a	Grade	2,331	\$290.00	Taxes over BY
3	180 Madison Avenue SWC of E 34th Street	Wells Fargo Bank, N.A.	Nov-17	5	Grade	3,601	\$250.00	Taxes over BY
4	26 W 23rd Street Btw Fifth & Sixth Avenues	Verizon	Sep-17	n/a	Grade	2,225	\$250.00	Taxes over BY
5	1 Park Avenue Btw E 32nd & E 33rd Streets	Citibank	May-17	10	Grade	13,526	\$310.00	Taxes over BY
6a	160 Madison Avenue Btw 32nd & 33rd Street	Molteni	May-17	n/a	Grade	12,000	\$300.00	Taxes over BY
6b	160 Madison Avenue Btw 32nd & 33rd Street	BoConcept	Feb-17	n/a	Grade	4,100	\$240.00	Taxes over BY
7	1158 Broadway Btw W 27th & 28th Streets	Cha Cha Matcha	Mar-17	n/a	Grade	1,100	\$300.00	Taxes over BY
8	470 Park Avenue South Btw E 31st & E 32nd Streets	Capital One	Jan-17	n/a	Grade LL Total	3,074 <u>2,800</u> 5,874	\$325.00 <u>\$50.00</u> \$193.91	Taxes over BY
9	876 Broadway Btw 18th & 19th Streets	Filson Company	Jan-17	n/a	Grade Mezz LL Total	3,000 1,000 <u>2,000</u> 6,000	 \$266.00	Taxes over BY
10	200 Fifth Avenue Btw W 23rd & 24th Streets	Johnston & Murphy	Feb-16	n/a	Grade	2,010	\$375.00	Taxes over BY

Compiled by CB Richard Ellis, Inc.

The rentals utilized represent the best data available for comparison with the subject. They were selected from our research within the Nomad and Flatiron market area. The following table illustrates a summary of the space allocation and potential rental of the space for the subject space.

RETAIL SPACE ALLOCATION AND RENTAL INCOME			
Physical location	Floor Area PSF	Rent PSF	Gross Rent
Grade Level	3300	\$250	\$825,000
Mezzanine	1600	\$50	\$80,000
Penthouse Retail	1600	\$125	\$200,000
Total Rental			\$1,105,000
Less Vacancy	5.00%		(\$55,250)
Effective Gross Rent			\$1,049,750
Compiled by CBRE			

The retail is proposed to increase annually by 3.0% per annum for the holding period.

NET INCOME (EBITDA) CONCLUSION

The subject's net operating income is detailed as follows:

NET INCOME (EBITDA)				
Year	Total \$ (000's)	As a % of Revenue	Per Available Room	Per Occupied Room
Subject Complete Calendar Year Ended: Dec 31, 2016	\$1,247	27.2%	\$19,483	\$57.51
Subject Complete Calendar Year Ended: Dec 31, 2017	\$1,270	26.4%	\$19,842	\$64.11
Comparable 1	\$9,674	23.6%	\$33,130	\$96.66
Comparable 2	\$3,696	22.4%	\$32,423	\$101.06
Comparable 3	\$5,569	42.9%	\$35,247	\$103.72
Comparable 4	\$8,520	30.1%	\$29,895	\$88.64
HOST Report - Weighted Average	N/A	24.9%	\$21,720	\$79.93
HOST Report - Full Service Total U.S.	N/A	27.0%	\$22,077	\$81.69
HOST Report - Full Service Independent	N/A	23.6%	\$24,237	\$93.99
HOST Report - Full Service Middle Atlantic	N/A	19.4%	\$18,181	\$64.46
HOST Report - Full Service Chain-Affiliated	N/A	27.4%	\$21,909	\$80.78
HOST Report - Full Service Urban	N/A	26.3%	\$22,663	\$82.09
DCF Estimate - YR 1	\$1,533	37.1%	\$23,954	\$96.51
DCF Stabilized Estimate - YR 3	\$2,599	44.3%	\$40,611	\$129.38
Compiled by CBRE				

DISCOUNTED CASH FLOW ANALYSIS

The discounted cash flow analysis relies on a projection of net operating income over a fixed holding period and a future sale of the property at the end of the holding period. This is consistent with current investor trends for analyzing this property type. The discounted cash flow analysis takes into consideration the timing and degree of the projected changes in average daily rate, occupancy, and expenses for the subject.

Financial Assumptions

SUMMARY OF DISCOUNTED CASH FLOW INPUT	
General	
Start Date	Aug-18
Terms of Analysis	10 Years
Software	Excel
Growth Rates	
Stabilized ADR Growth	3.00%
Stabilized Income Growth	3.00%
Stabilized Expense Growth	3.00%
Revenue Assumptions	
2017 ADR	\$188.40
Year 1 ADR Forecast	\$241.50
Year 2 ADR Forecast	\$265.65
Stabilized Average Daily Rate	\$273.62
Occupancy Assumptions	
Current/TTM Occupancy	84.80%
Year 1 Occ	68.00%
Year 2 Occ	79.00%
Stabilized Occupancy	86.00%
Estimated Stabilization	Aug-20
Financial	
Discount Rate	7.50%
Terminal Capitalization Rate	5.75%
Discount Rate - As Complete	7.25%
Terminal Capitalization Rate - As Complete	5.75%
Discount Rate - As Stabilized	6.75%
Terminal Capitalization Rate - As Stabilized	5.75%
Other	
Cost of Sale	2.00%
Capital Expenses (Property Improvement Plan Cost)	\$3,000,000
Compiled by CBRE	

CASH FLOW ASSUMPTIONS

The discounted cash flow analysis relies on the income and expense projections presented earlier in this section. Specific assumptions integral to the analysis are summarized as follows:

GENERAL ASSUMPTIONS

The DCF analysis utilizes a 10-year projection period with fiscal year inflation and discounting. This is consistent with current investor assumptions. The analysis is done with Excel software.

GROWTH RATE ASSUMPTIONS

The inflation and growth rates for the DCF analysis have been estimated by analyzing the expectations typically used by buyers and sellers in the local marketplace. Published investor surveys, an analysis of the Consumer Price Index (CPI), as well as CBRE's survey of brokers and investors active in the local market form the foundation for the selection of the appropriate growth rates.

SUMMARY OF GROWTH RATES			
Investment Type	Rent	Expenses	Inflation
U.S. Bureau of Labor Statistics (CPI-U) 10-Year Snapshot Average as of Jul-18			1.37%
<i>PwC Limited Service Hotels</i>			
National Data	2.95%	2.95%	n/a
<i>RERC Hotels</i>			
National Data	2.20%	2.90%	n/a
CBRE Estimate	3.70%	3.00%	3.00%
Compiled by: CBRE			

OCCUPANCY ASSUMPTIONS

The occupancy rate over the holding period is based on the subject's estimated stabilized occupancy rate and estimated lease-up period to achieve a stabilized occupancy position. The complete discussion and analysis of occupancy is located in the Hotel Market Analysis.

HOTEL INVESTOR RATES

Provided on the following pages is a discussion of the direct capitalization, discount, and terminal capitalization rates.

Direct Capitalization

Direct capitalization is a method used to convert a single year's estimated stabilized net operating income into a value indication. The following subsections represent different techniques for deriving an overall capitalization rate for direct capitalization. This figure will be used in a direct capitalization table presented following the discounted cash flow analysis. It also impacts the terminal capitalization rate selection.

COMPARABLE SALES

The overall capitalization rates (OAR's) confirmed for the comparable sales analyzed in the sales comparison approach are as follows:

COMPARABLE CAPITALIZATION RATES			
Sale	Sale Date	Sale Price \$/Unit	OAR
James New York	Dec-17	\$581,579	5.0%
Hilton Fashion District	Dec-16	\$510,000	4.9%
Hilton Garden Inn Herald Square	Dec-16	\$480,000	5.0%
The James Hotel	Sep-16	\$614,035	5.0%
Hilton Garden Inn Chelsea	Jul-16	\$384,615	6.6%
70 Park Avenue	Jun-16	\$385,366	5.0%
NYLO New York City	Jun-16	\$496,454	5.2%
Hersha Portfolio of 7 Hotels	Apr-16	\$500,000	5.4%
Sheraton Tribeca (Leasehold)	Mar-16	\$428,184	5.8%
Wyndham Garden Inn New York	Feb-16	\$483,871	5.50%
London NYC (Leasehold)	Nov-15	\$679,715	4.90%
GEM Midtown West 36th	Q1 2015	\$529,000	5.20%
Indicated OAR:			5.0%-5.50%
Compiled by: CBRE			

Based on the subject's projected stabilized occupancy level and its competitive position in the local market, an OAR toward the middle of the range indicated by the comparables is considered appropriate.

PUBLISHED INVESTOR SURVEYS

The results of the most recent investor survey data are summarized in the following table.

OVERALL CAPITALIZATION RATES		
Investment Type	OAR Range	Average
<i>CBRE Hotels Full Service</i>		
National Data		7.70%
<i>RERC Hotels</i>		
National Data	7.50% - 8.00%	7.80%
<i>RealtyRates.com</i>		
Lodging	4.92% - 17.09%	11.02%
Full Service	4.92% - 14.45%	10.92%
Limited Service	6.07% - 17.09%	11.31%
Golf/Gaming/Resort	5.99% - 16.03%	10.39%
<i>PwC Full Service Hotels</i>		
National Data	6.00% - 10.00%	7.90%
Indicated OAR:		5.0%-5.5%
Compiled by: CBRE		

The subject is considered to be a Class A property. Because of the subject's good location, proposed repositioning in the marketplace, and considerate of prudent and competent management team that understands the marketplace, an OAR near the average of the range indicated in the preceding table is considered appropriate.

CAPITALIZATION RATE CONCLUSION

The following table summarizes the OAR conclusions.

OVERALL CAPITALIZATION RATE - CONCLUSION	
Source	Indicated OAR
Comparable Sales	5.0%-5.50%
Published Surveys	5.0%-5.50%
CBRE Estimate	5.25%
Compiled by: CBRE	

Discount Rate Analysis

The results of the most recent PwC Real Estate Investor Survey are summarized in the following table.

DISCOUNT RATES		
Investment Type	Rate Range	Average
<i>RealtyRates.com</i>		
Lodging	5.88% - 16.08%	11.32%
Full Service	5.88% - 13.74%	11.41%
Limited Service	6.78% - 16.08%	11.61%
Golf/Gaming/Resort	6.41% - 15.19%	10.68%
<i>PwC Full Service Hotels</i>		
National Data	8.00% - 13.00%	10.19%
<i>RERC Hotels</i>		
National Data	9.00% - 10.00%	9.60%
CBRE Estimate As Is		7.50%
CBRE Estimate As complete		7.25%
CBRE Estimate As Stabilized		6.75%
Compiled by: CBRE		

The subject is considered to be a Class A property. Overall, a rate in the lower portion of the range is appropriate as noted in the preceding table is considered appropriate for the following reasons:

Strengths/ Opportunities

- The subject is well located within New York City, within the Nomad Section of midtown south a highly desirable area for hotels, business and transients;
- The property has been well maintained and is in average to good condition for its age;

- The property has unique design and architecture which sets it apart from most other hotels in the market;
- The subject offers an upper-upscale accommodations;
- The subject is proximate to many demand generators, is proximate to public transportation and well positioned in terms of access and exposure
- The property has very good corner location for retail use

Weaknesses/ Threats

- The subject does not have a franchise affiliation is currently operated as an independent hotel;
- The property is located in a very competitive hotel market with many major franchises and independent hotels represented in the submarket;
- The subject has experienced instability and is currently suffering in terms of ADR, Occupancy and RevPAR due to the management and bankruptcy related conditions;
- There is strong competition in the market from other franchised and independent full service hotels; and
- There has been a robust pipeline of new developments throughout New York City;
- The hotel operators that have experienced downward pressure in performance may continue to constrain price growth by lowering pricing in the market;
- Hotels without a base of customers, such as the subject are highly reliant on Online Travel Agencies that come at a high cost;
- Interest rate risk.

Terminal Capitalization Rate

The reversionary value of the subject is based on an assumed sale at the end of the holding period based on capitalizing the Year 11 NOI at a terminal capitalization rate. Typically, for properties similar to the subject, terminal capitalization rates are 25 to 100 basis points higher than going-in capitalization rates (OAR's). This is a result of the uncertainty of future economic conditions and the natural aging of the property, but assuming adequate reserves have been utilized to keep the property in good operating condition.

TERMINAL CAPITALIZATION RATES		
Investment Type	Rate Range	Average
<i>Market Participants</i>		
Broker 1 Name / Company	9.00% - 10.00%	9.50%
Investor 2 Name / Company	9.00% - 10.00%	9.50%
<i>PwC Full Service Hotels</i>		
National Data - OAR	6.00% - 10.00%	7.90%
National Data - Residual OAR	7.00% - 10.00%	8.40%
Spread: Basis Points (BP)	100 - 0	50
<i>RERC Hotels</i>		
National Data - OAR	7.50% - 8.00%	7.80%
National Data - Residual OAR	8.00% - 9.00%	8.50%
Spread: Basis Points (BP)	50 - 100	70
Concluded BP Spread		50
CBRE Estimate		5.75%
Compiled by: CBRE		

DISCOUNTED CASH FLOW CONCLUSION

The following pages present the following illustrations:

- Detailed Forecast Schedule
- Discounted Cash Flow Schedule(s)
- Discounted Cash Flow Value Conclusions

CBRE		FLATIRON HOTEL DISCOUNTED CASH FLOW ANALYSIS BEGINNING 08/18										CBRE HOTELS The World's Leading Hotel Experts	
YEAR	1	2	3	4	5	6	7	8	9	10	Reversion		
Year Ended:	8/25/19	8/25/20	8/25/21	8/25/22	8/25/23	8/25/24	8/25/25	8/25/26	8/25/27	8/25/28	8/25/29		
Number of Rooms	64	64	64	64	64	64	64	64	64	64	64		
Annual Available Rooms	23,360	23,424	23,360	23,360	23,360	23,424	23,360	23,360	23,360	23,424	23,360		
Occupied Rooms	15,885	18,505	20,090	20,090	20,090	20,145	20,090	20,090	20,090	20,145	20,090		
Occupancy	68.0%	79.0%	86.0%	86.0%	86.0%	86.0%	86.0%	86.0%	86.0%	86.0%	86.0%		
Average Rate	\$241.50	\$265.65	\$273.62	\$281.83	\$290.28	\$298.99	\$307.96	\$317.20	\$326.72	\$336.52	\$346.61		
REVENUE													
Rooms	\$3,836,179	\$4,915,843	\$5,496,906	\$5,661,813	\$5,831,668	\$6,023,074	\$6,186,816	\$6,372,421	\$6,563,594	\$6,779,023	\$6,963,316		
Food & Beverage	-	-	-	-	-	-	-	-	-	-	-		
Other Operated Departments	300,231	342,316	373,192	384,387	395,919	408,579	420,030	432,631	445,610	459,859	472,748		
Miscellaneous Income	86,138	99,841	109,762	113,055	116,447	120,203	123,538	127,245	131,062	135,290	139,044		
Total Operating Revenue	\$4,222,548	\$5,358,000	\$5,979,860	\$6,159,256	\$6,344,034	\$6,551,856	\$6,730,385	\$6,932,297	\$7,140,266	\$7,374,172	\$7,575,108		
DEPARTMENTAL EXPENSES													
Rooms Expense	\$1,228,034	\$1,347,505	\$1,428,393	\$1,471,245	\$1,515,383	\$1,562,380	\$1,607,669	\$1,655,899	\$1,705,576	\$1,758,472	\$1,809,446		
Food & Beverage Expense	-	-	-	-	-	-	-	-	-	-	-		
Other Operated Departments Expense	74,980	88,080	93,298	96,097	98,980	102,047	105,008	108,158	111,403	114,855	118,187		
Total Departmental Expenses	\$1,303,014	\$1,435,584	\$1,521,691	\$1,567,342	\$1,614,362	\$1,664,427	\$1,712,677	\$1,764,057	\$1,816,979	\$1,873,327	\$1,927,633		
DEPARTMENTAL PROFIT	\$2,919,533	\$3,922,415	\$4,458,169	\$4,591,914	\$4,729,671	\$4,887,429	\$5,017,708	\$5,168,240	\$5,323,287	\$5,500,845	\$5,647,475		
UNDISTRIBUTED OPERATING EXPENSES													
Administrative and General	\$351,745	\$455,564	\$472,330	\$486,500	\$501,095	\$516,246	\$531,612	\$547,560	\$563,987	\$581,039	\$598,334		
Marketing	412,570	416,606	438,026	451,167	464,702	478,981	493,002	507,792	523,026	539,098	554,878		
Franchise Fees	-	-	-	-	-	-	-	-	-	-	-		
Property Operations and Maintenance	183,770	214,992	226,045	232,827	239,812	247,181	254,416	262,049	269,910	278,204	286,348		
Utilities	184,750	199,028	206,353	212,544	218,920	225,539	232,252	239,220	246,396	253,846	261,402		
Total Undistributed Expenses	\$1,132,834	\$1,286,189	\$1,342,754	\$1,383,037	\$1,424,528	\$1,467,946	\$1,511,282	\$1,556,620	\$1,603,319	\$1,652,187	\$1,700,961		
GROSS OPERATING PROFIT	\$1,786,700	\$2,636,226	\$3,115,414	\$3,208,877	\$3,305,143	\$3,419,483	\$3,506,426	\$3,611,619	\$3,719,968	\$3,848,658	\$3,946,514		
Management Fee	\$124,092	\$157,745	\$176,103	\$181,386	\$186,828	\$192,950	\$198,205	\$204,152	\$210,276	\$217,166	\$223,082		
INCOME BEFORE NON-OPERATING INCOME AND NON-OPERATING INCOME AND EXPENSES	\$1,662,607	\$2,478,482	\$2,939,312	\$3,027,491	\$3,118,316	\$3,226,533	\$3,308,221	\$3,407,468	\$3,509,692	\$3,631,492	\$3,723,432		
EXPENSES													
Property Taxes	\$808,463	\$888,990	\$981,139	\$1,016,558	\$1,043,346	\$1,064,326	\$1,085,728	\$1,118,300	\$1,151,849	\$1,186,405	\$1,221,997		
Insurance	61,170	63,006	64,896	66,843	68,848	70,913	73,041	75,232	77,489	79,814	82,208		
Reserve for Replacement	165,456	210,326	234,804	241,848	249,103	257,266	264,274	272,202	280,368	289,555	297,443		
Non-Operating Rent	(1,049,750)	(1,081,243)	(1,113,680)	(1,147,090)	(1,181,503)	(1,216,948)	(1,253,456)	(1,291,060)	(1,329,792)	(1,369,686)	(1,410,776)		
Total Non-Operating Income and Expenses	(\$14,660)	\$81,079	\$167,158	\$178,159	\$179,794	\$175,558	\$169,587	\$174,674	\$179,914	\$186,088	\$190,871		
NET INCOME (EBITDA)	\$1,677,268	\$2,397,402	\$2,772,153	\$2,849,332	\$2,938,522	\$3,050,976	\$3,138,634	\$3,232,793	\$3,329,777	\$3,445,404	\$3,532,561		

REVENUE AND NOI TREND										Sale / Yield Matrix		

IRR			
7.25%	50,637,907	49,278,805	48,032,961
7.50%	49,676,484	48,348,660	47,131,488
7.75%	48,737,590	47,440,254	46,251,030

Terminal Cap Rate			
5.50%	50,637,907	49,278,805	48,032,961
5.75%	49,676,484	48,348,660	47,131,488
6.00%	48,737,590	47,440,254	46,251,030

Reconciled Value Indication:	\$48,348,660
Property Improvement Plan Cost:	(\$3,000,000)
As-Is Value Indication (Rounded):	\$45,300,000
	\$707,813/Room

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CBRE		FLATIRON HOTEL DISCOUNTED CASH FLOW ANALYSIS BEGINNING 08/20											CBRE HOTELS The World's Leading Hotel Reports	
YEAR	1	2	3	4	5	6	7	8	9	10	Reversion			
Year Ended:	8/25/21	8/25/22	8/25/23	8/25/24	8/25/25	8/25/26	8/25/27	8/25/28	8/25/29	8/25/30	8/25/31			
Number of Rooms	64	64	64	64	64	64	64	64	64	64	64			
Annual Available Rooms	23,360	23,360	23,360	23,424	23,360	23,360	23,360	23,424	23,360	23,360	23,360			
Occupied Rooms	20,090	20,090	20,090	20,145	20,090	20,090	20,090	20,145	20,090	20,090	20,090			
Occupancy	86.0%	86.0%	86.0%	86.0%	86.0%	86.0%	86.0%	86.0%	86.0%	86.0%	86.0%			
Average Rate	\$273.62	\$281.83	\$290.28	\$298.99	\$307.96	\$317.20	\$326.72	\$336.52	\$346.61	\$357.01	\$367.72			
REVENUE														
Rooms	\$5,496,906	\$5,661,813	\$5,831,668	\$6,023,074	\$6,186,816	\$6,372,421	\$6,563,594	\$6,779,023	\$6,963,316	\$7,172,216	\$7,387,382			
Food & Beverage	-	-	-	-	-	-	-	-	-	-	-			
Other Operated Departments	373,192	384,387	395,919	408,579	420,030	432,631	445,610	459,859	472,748	486,930	501,538			
Miscellaneous Income	109,762	113,055	116,447	120,203	123,538	127,245	131,062	135,290	139,044	143,215	147,511			
Total Operating Revenue	\$5,979,860	\$6,159,256	\$6,344,034	\$6,551,856	\$6,730,385	\$6,932,297	\$7,140,266	\$7,374,172	\$7,575,108	\$7,802,361	\$8,036,432			
DEPARTMENTAL EXPENSES														
Rooms Expense	\$1,428,393	\$1,471,245	\$1,515,383	\$1,562,380	\$1,607,669	\$1,655,899	\$1,705,576	\$1,758,472	\$1,809,446	\$1,863,729	\$1,919,641			
Food & Beverage Expense	-	-	-	-	-	-	-	-	-	-	-			
Other Operated Departments Expense	93,298	96,097	98,980	102,047	105,008	108,158	111,403	114,855	118,187	121,733	125,385			
Total Departmental Expenses	\$1,521,691	\$1,567,342	\$1,614,362	\$1,664,427	\$1,712,677	\$1,764,057	\$1,816,979	\$1,873,327	\$1,927,633	\$1,985,462	\$2,045,026			
DEPARTMENTAL PROFIT	\$4,458,169	\$4,591,914	\$4,729,671	\$4,887,429	\$5,017,708	\$5,168,240	\$5,323,287	\$5,500,845	\$5,647,475	\$5,816,899	\$5,991,406			
UNDISTRIBUTED OPERATING EXPENSES														
Administrative and General	\$472,330	\$486,500	\$501,095	\$516,246	\$531,612	\$547,560	\$563,987	\$581,039	\$598,334	\$616,284	\$634,772			
Marketing	438,026	451,167	464,702	478,981	493,002	507,792	523,026	539,098	554,878	571,524	588,670			
Franchise Fees	-	-	-	-	-	-	-	-	-	-	-			
Property Operations and Maintenance	226,045	232,827	239,812	247,181	254,416	262,049	269,910	278,204	286,348	294,938	303,786			
Utilities	206,353	212,544	218,920	225,539	232,252	239,220	246,396	253,846	261,402	269,244	277,321			
Total Undistributed Expenses	\$1,342,754	\$1,383,037	\$1,424,528	\$1,467,946	\$1,511,282	\$1,556,620	\$1,603,319	\$1,652,187	\$1,700,961	\$1,751,990	\$1,804,550			
GROSS OPERATING PROFIT	\$3,115,414	\$3,208,877	\$3,305,143	\$3,419,483	\$3,506,426	\$3,611,619	\$3,719,968	\$3,848,658	\$3,946,514	\$4,064,909	\$4,186,857			
Management Fee	\$176,103	\$181,386	\$186,828	\$192,950	\$198,205	\$204,152	\$210,276	\$217,166	\$223,082	\$229,774	\$236,668			
INCOME BEFORE NON-OPERATING INCOME AND NON-OPERATING INCOME AND EXPENSES	\$2,939,312	\$3,027,491	\$3,118,316	\$3,226,533	\$3,308,221	\$3,407,468	\$3,509,692	\$3,631,492	\$3,723,432	\$3,835,135	\$3,950,189			
Property Taxes	\$981,139	\$1,016,558	\$1,043,346	\$1,064,326	\$1,085,728	\$1,118,300	\$1,151,849	\$1,186,405	\$1,221,997	\$1,258,657	\$1,296,417			
Insurance	64,896	66,843	68,848	70,913	73,041	75,232	77,489	79,814	82,208	84,674	87,214			
Reserve for Replacement	234,804	241,848	249,103	257,266	264,274	272,202	280,368	289,555	297,443	306,366	315,557			
Non-Operating Income	-	-	-	-	-	-	-	-	-	-	-			
Non-Operating Rent	(1,113,680)	(1,147,090)	(1,181,503)	(1,216,948)	(1,253,456)	(1,291,060)	(1,329,792)	(1,369,686)	(1,410,776)	(1,453,100)	(1,496,692)			
Total Non-Operating Income and Expenses	\$167,158	\$178,159	\$179,794	\$175,558	\$169,587	\$174,674	\$179,914	\$186,088	\$190,871	\$196,597	\$202,495			
NET INCOME (EBITDA)	\$2,772,153	\$2,849,332	\$2,938,522	\$3,050,976	\$3,138,634	\$3,232,793	\$3,329,777	\$3,445,404	\$3,532,561	\$3,638,537	\$3,747,494			

REVENUE AND NOI TREND

DIRECT CAPITALIZATION SUMMARY

A summary of the direct capitalization of the subject is illustrated in the following table.

DIRECT CAPITALIZATION SUMMARY				
Analysis Premise	Stabilized Discounted Cash Flow YR 1		Period Ending:	
	Income		8/25/2021	
Number of Rooms:			64	
Annual Rooms Available:			23,360	
Occupied Rooms:			20,090	
Occupancy:			86.0%	
Average Rate:			\$273.62	
RevPAR:			\$235.31	
	Total	Ratio to Sales	PAR	POR
REVENUE				
Rooms	\$5,496,906	91.9%	\$85,889	\$273.62
Food & Beverage	\$0	0.0%	0	0.00
Other Operated Departments	\$373,192	6.2%	5,831	18.58
Total Operating Revenue	\$5,979,860	100.0%	\$93,435	\$297.66
DEPARTMENTAL EXPENSES				
Rooms Expense	\$1,428,393	26.0%	\$22,319	\$71.10
Other Operated Departments Expense	\$93,298	25.0%	1,458	4.64
Total Departmental Expenses	\$1,521,691	25.4%	\$23,776	\$75.75
DEPARTMENTAL PROFIT	\$4,458,169	74.6%	\$69,659	\$221.91
UNDISTRIBUTED OPERATING EXPENSES				
Administrative and General	\$472,330	7.9%	\$7,380	\$23.51
Information and Telecommunications Systems	\$63,295	1.1%	989	3.15
Marketing	\$438,026	7.3%	6,844	21.80
Franchise Fees	\$0	0.0%	0	0.00
Property Operations and Maintenance	\$226,045	3.8%	3,532	11.25
Utilities	\$206,353	3.5%	3,224	10.27
Total Undistributed Expenses	\$1,406,049	23.5%	\$21,970	\$69.99
GROSS OPERATING PROFIT	\$3,052,120	51.0%	\$47,689	\$151.93
Management Fee	\$176,103	2.9%	\$2,752	\$8.77
INCOME BEFORE NON-OPERATING INCOME AND EXPENSES	\$2,876,017	48.1%	\$44,938	\$143.16
NON-OPERATING INCOME AND EXPENSES				
Property Taxes	\$981,139	16.4%	\$15,330	\$48.84
Insurance	\$64,896	1.1%	1,014	3.23
Reserve for Replacement	\$234,804	3.9%	3,669	11.69
Non-Operating Rent	(\$1,113,680)	-18.6%	-17,401	-55.44
Total Non-Operating Income and Expenses	\$167,158	2.8%	\$2,612	\$8.32
NET INCOME (EBITDA)	\$2,708,858	45.3%	\$42,326	\$134.84
Net Income (EBITDA)				\$2,708,858
OAR				/ 5.25%
Indicated Stabilized Value				\$51,597,303
Rounded				\$52,000,000
Property Improvement Plan Cost				(3,000,000)
Stabilization Discount				(4,600,000)
Indicated As Is Value				\$43,997,303
Rounded				\$44,000,000
Value Per Room				\$687,500
* Departmental expense ratios are based on departmental revenues; Franchise/Royalty ratio is based on room revenues; all others are based on total revenues.				
Compiled by CBRE				

CONCLUSION OF INCOME CAPITALIZATION APPROACH

The conclusions via the valuation methods employed for this approach are as follows:

INCOME CAPITALIZATION APPROACH VALUES			
	As Is on August 26, 2018	Prospective As Complete on August 26, 2019	Prospective As Stabilized on August 26, 2020
Direct Capitalization Method	\$44,000,000	\$47,400,000	\$52,000,000
Discounted Cash Flow Analysis	\$45,300,000	\$52,000,000	\$56,000,000
Reconciled Value	\$45,300,000	\$52,000,000	\$56,000,000
Compiled by CBRE			

Primary emphasis has been placed on the discounted cash flow analysis. This method is considered to best reflect the actions of buyers and sellers currently active in this market.

ADJUSTMENT FOR STABILIZATION

The subject is not stabilized. A deduction for losses occurring during stabilization is necessary. This is calculated based on the differential in indicated value between the DCF's as is and as stabilized. The following depicts this calculation. The indicated stabilization discount is then utilized with the direct capitalization method, the cost approach, and the sales comparison approach to provide an indication of the as complete value estimate.

STABILIZATION SUMMARY	
Estabilized Stabilization Period	24 Months
DCF - As Stabilized value	\$56,000,000
DCF - As Is value (prior to deduction for any capital expenditures)	\$52,000,000
Differential	\$4,000,000
Plus: Profit @ 15%	\$600,000
Total	\$4,600,000
Stabilization Discount	\$4,600,000
Compiled by CBRE	

Reconciliation of Value

The value indications from the approaches to value are summarized as follows:

SUMMARY OF VALUE CONCLUSIONS			
	As Is on August 26, 2018	Prospective As Complete on August 26, 2018	Prospective As Stabilized on August 26, 2020
Sales Comparison Approach	\$39,600,000	\$42,600,000	\$47,200,000
Income Capitalization Approach	\$45,300,000	\$52,000,000	\$56,000,000
Reconciled Value	\$45,300,000	\$52,000,000	\$56,000,000
Compiled by CBRE			

In the sales comparison approach, the subject is compared to similar properties that have been sold recently or for which listing prices or offers are known. The sales used in this analysis are considered somewhat comparable to the subject, and the required adjustments were based on reasonable and well-supported rationale. In addition, market participants are currently analyzing purchase prices on investment properties as they relate to available substitutes in the market. Therefore, the sales comparison approach is considered to provide a subjective yet reliable value indication, but has been given secondary emphasis in the final value reconciliation.

The income capitalization approach is applicable to the subject since it is an income producing property leased in the open market. Market participants are primarily analyzing properties based on their income generating capability. Therefore, the income capitalization approach is considered a reasonable and substantiated value indicator and has been given primary emphasis in the final value estimate.

Based on the foregoing, the market value of the subject has been concluded as follows:

MARKET VALUE CONCLUSION			
Appraisal Premise	Interest Appraised	Date of Value	Value Conclusion
As Is	Fee Simple Estate	August 26, 2018	\$45,300,000
As Complete	Fee Simple Estate	August 26, 2019	\$52,000,000
As Stabilized	Fee Simple Estate	August 26, 2020	\$56,000,000
Compiled by CBRE			

The opinion(s) of market value includes the land, the improvements thereto, and the contributory value of the furniture, fixtures, and equipment. The appraisers assume that the hotel will be, and shall remain, open and operational.

Real Property Value Allocation

PERSONAL PROPERTY

Lodging facilities personal property consists of furnishings, fixtures and equipment (FF&E). These assets are difficult to isolate from the value of an operating hotel/motel property. Personal property is an integral part of a lodging facility. Without furniture, fixtures, and equipment, a hotel could not operate its facilities and rent its guest rooms, and thus would not be able to generate any income attributable to real property. Personal property and real property are uniquely combined in a hotel or motel; unlike an office or other commercial building, a hotel would have to close its doors without furniture, fixtures and equipment. The physical separation of personal property from real property in a hotel is a theoretical rather than a practical matter. Lodging facilities are generally sold with their furniture, fixtures, and equipment in place. While a lender may be restricted from financing the purchase of personal property, without personal property, a hotel's real property would have little value.

Several methods are used to determine the market value of the furniture, fixtures, and equipment. A recommended approach is to use the depreciated replacement cost. As hotels are typically sold with the FF&E in place, a sale of just the FF&E usually takes place as a salvage or liquidation sale, which results in substantially less value than if in place and contributing to the hotel operation. The estimation of the market value of the tangible personal property is an allocation of the total value and is not likely to be a distinct component of a typical real estate transaction of an ongoing operation.

The following depicts a collection of available data and the concluded FF&E cost estimate.

FF&E COST ESTIMATE			
Source	Per Guest Room		
NYC Boutique Hotel	\$26,083		
NYC Boutique Hotel	\$25,333		
NYC Boutique Hotel	\$21,405		
NYC Full Service	\$11,857		
HVS* Full Service	\$23,200	- \$57,900	\$28,400
HVS* Luxury Full Service	\$37,900	- \$129,300	\$62,500
CBRE Estimate	\$40,000		
Indicated FF&E Replacement Cost	\$2,560,000		
Rounded	\$2,600,000		
CBRE Estimate			

For our analysis, we have indicated a figure of \$40,000 per unit, which corresponds to \$2,600,000, rounded. The following chart illustrates the FF&E Value Conclusion given depreciation estimates.

FF&E VALUE ESTIMATE			
	As Is on August 26, 2018	Prospective As Complete on August 26, 2019	Prospective As Stabilized on August 26, 2020
FF&E Effective Age (Weighted)	7 Years	0 Years	1 Years
MVS Expected Life (Weighted)	8 Years	8 Years	8 Years
FF&E Physical Depreciation	88%	0%	13%
FF&E Replacement Cost New	\$ 2,600,000	\$ 2,600,000	\$ 2,600,000
Depreciable Cost	\$ 2,600,000	\$ 2,600,000	\$ 2,600,000
Less Depreciation	\$ (2,275,000)	\$ -	\$ (325,000)
Depreciated FF&E Cost	\$ 325,000	\$ 2,600,000	\$ 2,275,000
Rounded	\$ 300,000	\$ 2,600,000	\$ 2,300,000
Depreciated FF&E Cost Per Guest Room	\$4,688	\$40,625	\$35,938
Compiled by CBRE			

BUSINESS VALUE

Hotels are undisputedly a combination of business and real estate: the day-to-day operation of a hotel represents a business over and above the real estate value. The estimate of value for the business interest component of the going concern value is considerably more subjective than the personal property value estimate. This is due to the intangible nature of the business interest. Numerous theories have been developed over time in an attempt to isolate the business component of a hotel. When hotels were routinely leased to hotel operators, separating the income and value attributable to each component was a simple matter. However, during the 1970's, the hotel property leases were replaced with the hotel management contract.

It is widely accepted today that managing agents are hired by hotel owners to operate a property in return for a management fee. The fee is paid to the operator as an operating expense, and what remains is net income available to pay debt service and generate a return on the owner's equity. Purchasers of hotels as real estate investments are able to passively own the property by employing a managing agent, as is the case at the Subject.

The real and personal property components of the Subject have already been valued in this appraisal, in isolation of any business component, through the deduction of market rate management and franchise fees. By making these deductions, we believe that there is no business value included in our conclusion of market value given previously.

VALUE ALLOCATION CONCLUSION

Based on the foregoing, the value allocation of the subject has been concluded as follows:

AS IS VALUE ALLOCATION	
Interest Appraised - Allocation	Value Conclusion
Fee Simple Estate	
As Is Value	\$45,300,000
Personal Property	\$300,000
Business Enterprise Value	\$0
Real Property Value - As Is	\$45,000,000
Compiled by CBRE	

AS COMPLETE VALUE ALLOCATION	
Interest Appraised - Allocation	Value Conclusion
Fee Simple Estate	
As Complete Value	\$52,000,000
Personal Property	\$2,600,000
Business Enterprise Value	\$0
Real Property Value - As Complete	\$49,400,000
Compiled by CBRE	

AS STABILIZED VALUE ALLOCATION	
Interest Appraised - Allocation	Value Conclusion
Fee Simple Estate	
As Stabilized Value	\$56,000,000
Personal Property	\$2,300,000
Business Enterprise Value	\$0
Real Property Value - As Stabilized	\$53,700,000
Compiled by CBRE	

Assumptions and Limiting Conditions

1. CBRE, Inc. through its appraiser (collectively, "CBRE") has inspected through reasonable observation the subject property. However, it is not possible or reasonably practicable to personally inspect conditions beneath the soil and the entire interior and exterior of the improvements on the subject property. Therefore, no representation is made as to such matters.
2. The report, including its conclusions and any portion of such report (the "Report"), is as of the date set forth in the letter of transmittal and based upon the information, market, economic, and property conditions and projected levels of operation existing as of such date. The dollar amount of any conclusion as to value in the Report is based upon the purchasing power of the U.S. Dollar on such date. The Report is subject to change as a result of fluctuations in any of the foregoing. CBRE has no obligation to revise the Report to reflect any such fluctuations or other events or conditions which occur subsequent to such date.
3. Unless otherwise expressly noted in the Report, CBRE has assumed that:
 - (i) Title to the subject property is clear and marketable and that there are no recorded or unrecorded matters or exceptions to title that would adversely affect marketability or value. CBRE has not examined title records (including without limitation liens, encumbrances, easements, deed restrictions, and other conditions that may affect the title or use of the subject property) and makes no representations regarding title or its limitations on the use of the subject property. Insurance against financial loss that may arise out of defects in title should be sought from a qualified title insurance company.
 - (ii) Existing improvements on the subject property conform to applicable local, state, and federal building codes and ordinances, are structurally sound and seismically safe, and have been built and repaired in a workmanlike manner according to standard practices; all building systems (mechanical/electrical, HVAC, elevator, plumbing, etc.) are in good working order with no major deferred maintenance or repair required; and the roof and exterior are in good condition and free from intrusion by the elements. CBRE has not retained independent structural, mechanical, electrical, or civil engineers in connection with this appraisal and, therefore, makes no representations relative to the condition of improvements. CBRE appraisers are not engineers and are not qualified to judge matters of an engineering nature, and furthermore structural problems or building system problems may not be visible. It is expressly assumed that any purchaser would, as a precondition to closing a sale, obtain a satisfactory engineering report relative to the structural integrity of the property and the integrity of building systems.
 - (iii) Any proposed improvements, on or off-site, as well as any alterations or repairs considered will be completed in a workmanlike manner according to standard practices.
 - (iv) Hazardous materials are not present on the subject property. CBRE is not qualified to detect such substances. The presence of substances such as asbestos, urea formaldehyde foam insulation, contaminated groundwater, mold, or other potentially hazardous materials may affect the value of the property.
 - (v) No mineral deposit or subsurface rights of value exist with respect to the subject property, whether gas, liquid, or solid, and no air or development rights of value may be transferred. CBRE has not considered any rights associated with extraction or exploration of any resources, unless otherwise expressly noted in the Report.
 - (vi) There are no contemplated public initiatives, governmental development controls, rent controls, or changes in the present zoning ordinances or regulations governing use, density, or shape that would significantly affect the value of the subject property.
 - (vii) All required licenses, certificates of occupancy, consents, or other legislative or administrative authority from any local, state, nor national government or private entity or organization have been or can be readily obtained or renewed for any use on which the Report is based.
 - (viii) The subject property is managed and operated in a prudent and competent manner, neither inefficiently or super-efficiently.
 - (ix) The subject property and its use, management, and operation are in full compliance with all applicable federal, state, and local regulations, laws, and restrictions, including without limitation environmental laws, seismic hazards, flight patterns, decibel levels/noise envelopes, fire hazards, hillside ordinances, density, allowable uses, building codes, permits, and licenses.
 - (x) The subject property is in full compliance with the Americans with Disabilities Act (ADA). CBRE is not qualified to assess the subject property's compliance with the ADA, notwithstanding any discussion of possible readily achievable barrier removal construction items in the Report.

- (xi) All information regarding the areas and dimensions of the subject property furnished to CBRE are correct, and no encroachments exist. CBRE has neither undertaken any survey of the boundaries of the subject property nor reviewed or confirmed the accuracy of any legal description of the subject property.

Unless otherwise expressly noted in the Report, no issues regarding the foregoing were brought to CBRE's attention, and CBRE has no knowledge of any such facts affecting the subject property. If any information inconsistent with any of the foregoing assumptions is discovered, such information could have a substantial negative impact on the Report. Accordingly, if any such information is subsequently made known to CBRE, CBRE reserves the right to amend the Report, which may include the conclusions of the Report. CBRE assumes no responsibility for any conditions regarding the foregoing, or for any expertise or knowledge required to discover them. Any user of the Report is urged to retain an expert in the applicable field(s) for information regarding such conditions.

4. CBRE has assumed that all documents, data and information furnished by or behalf of the client, property owner, or owner's representative are accurate and correct, unless otherwise expressly noted in the Report. Such data and information include, without limitation, numerical street addresses, lot and block numbers, Assessor's Parcel Numbers, land dimensions, square footage area of the land, dimensions of the improvements, gross building areas, net rentable areas, usable areas, unit count, room count, rent schedules, income data, historical operating expenses, budgets, and related data. Any error in any of the above could have a substantial impact on the Report. Accordingly, if any such errors are subsequently made known to CBRE, CBRE reserves the right to amend the Report, which may include the conclusions of the Report. The client and intended user should carefully review all assumptions, data, relevant calculations, and conclusions of the Report and should immediately notify CBRE of any questions or errors within 30 days after the date of delivery of the Report.
5. CBRE assumes no responsibility (including any obligation to procure the same) for any documents, data or information not provided to CBRE, including without limitation any termite inspection, survey or occupancy permit.
6. All furnishings, equipment and business operations have been disregarded with only real property being considered in the Report, except as otherwise expressly stated and typically considered part of real property.
7. Any cash flows included in the analysis are forecasts of estimated future operating characteristics based upon the information and assumptions contained within the Report. Any projections of income, expenses and economic conditions utilized in the Report, including such cash flows, should be considered as only estimates of the expectations of future income and expenses as of the date of the Report and not predictions of the future. Actual results are affected by a number of factors outside the control of CBRE, including without limitation fluctuating economic, market, and property conditions. Actual results may ultimately differ from these projections, and CBRE does not warrant any such projections.
8. The Report contains professional opinions and is expressly not intended to serve as any warranty, assurance or guarantee of any particular value of the subject property. Other appraisers may reach different conclusions as to the value of the subject property. Furthermore, market value is highly related to exposure time, promotion effort, terms, motivation, and conclusions surrounding the offering of the subject property. The Report is for the sole purpose of providing the intended user with CBRE's independent professional opinion of the value of the subject property as of the date of the Report. Accordingly, CBRE shall not be liable for any losses that arise from any investment or lending decisions based upon the Report that the client, intended user, or any buyer, seller, investor, or lending institution may undertake related to the subject property, and CBRE has not been compensated to assume any of these risks. Nothing contained in the Report shall be construed as any direct or indirect recommendation of CBRE to buy, sell, hold, or finance the subject property.
9. No opinion is expressed on matters which may require legal expertise or specialized investigation or knowledge beyond that customarily employed by real estate appraisers. Any user of the Report is advised to retain experts in areas that fall outside the scope of the real estate appraisal profession for such matters.
10. CBRE assumes no responsibility for any costs or consequences arising due to the need, or the lack of need, for flood hazard insurance. An agent for the Federal Flood Insurance Program should be contacted to determine the actual need for Flood Hazard Insurance.
11. Acceptance or use of the Report constitutes full acceptance of these Assumptions and Limiting Conditions and any special assumptions set forth in the Report. It is the responsibility of the user of the Report to read in full, comprehend and thus become aware of all such assumptions and limiting conditions. CBRE assumes no responsibility for any situation arising out of the user's failure to become familiar with and understand the same.
12. The Report applies to the property as a whole only, and any pro ration or division of the title into fractional interests will invalidate such conclusions, unless the Report expressly assumes such pro ration or division of interests.

13. The allocations of the total value estimate in the Report between land and improvements apply only to the existing use of the subject property. The allocations of values for each of the land and improvements are not intended to be used with any other property or appraisal and are not valid for any such use.
14. The maps, plats, sketches, graphs, photographs, and exhibits included in this Report are for illustration purposes only and shall be utilized only to assist in visualizing matters discussed in the Report. No such items shall be removed, reproduced, or used apart from the Report.
15. The Report shall not be duplicated or provided to any unintended users in whole or in part without the written consent of CBRE, which consent CBRE may withhold in its sole discretion. Exempt from this restriction is duplication for the internal use of the intended user and its attorneys, accountants, or advisors for the sole benefit of the intended user. Also exempt from this restriction is transmission of the Report pursuant to any requirement of any court, governmental authority, or regulatory agency having jurisdiction over the intended user, provided that the Report and its contents shall not be published, in whole or in part, in any public document without the written consent of CBRE, which consent CBRE may withhold in its sole discretion. Finally, the Report shall not be made available to the public or otherwise used in any offering of the property or any security, as defined by applicable law. Any unintended user who may possess the Report is advised that it shall not rely upon the Report or its conclusions and that it should rely on its own appraisers, advisors and other consultants for any decision in connection with the subject property. CBRE shall have no liability or responsibility to any such unintended user.

ADDENDA

Addendum

IMPROVED SALE DATA SHEETS

Offer**Hotel - Full Service Hotel****No. 1**

Property Name Gansevoort Park Hotel
 Address 420 Park Avenue South
 New York, NY 10016
 United States

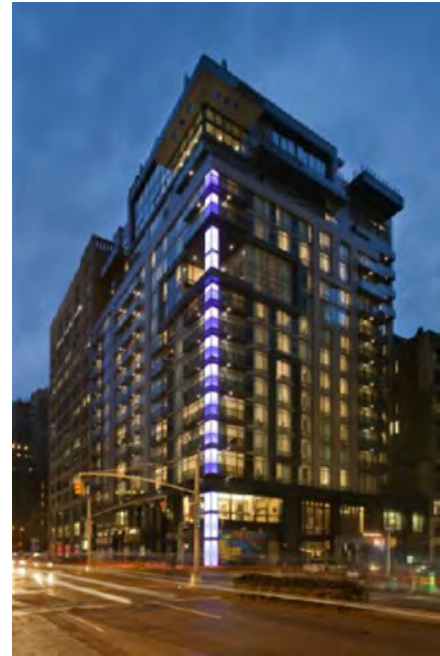
Government Tax Agency New York
 Govt./Tax ID N/A

Improvements

Status N/A
 Land Area 0.000 ac
 Gross Building Area (GBA) 0 sf
 Floor Count 0
 Year Built 2010
 Year Renovated N/A
 Construction Type N/A
 Parking Type N/A

Unique Physical Data

Class N/A
 # of Units 249 Room
 Standard Room Size 0 sf
 Affiliation N/A
 Lounge Seats 0
 Restaurant Seats 0

**Amenities**

Pool

Sale Summary

Recorded Buyer	N/A	Marketing Time	N/A
True Buyer	Highgate Holdings	Buyer Type	N/A
Recorded Seller	N/A	Seller Type	N/A
True Seller	Centurion Realty, Douglaston Development	Primary Verification	N/A

Interest Transferred Fee Simple/Freehold
 Current Use N/A
 Proposed Use N/A
 Listing Broker N/A
 Selling Broker N/A
 Doc # N/A

Type	Offer
Date	10/9/2017
Sale Price	\$200,000,000
Financing	N/A
Cash Equivalent	\$200,000,000
Capital Adjustment	\$0
Adjusted Price	\$200,000,000

Transaction Summary plus Five-Year CBRE View History

Transaction Date	Transaction Type	Buyer	Seller	Price	Cash Equivalent Price/sf
10/2017	Offer	N/A	N/A	\$200,000,000	N/A

Offer	Hotel - Full Service Hotel	No. 1
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Units of Comparison

Static Analysis Method	N/A	Adjusted Price / sf	N/A
Buyer's Primary Analysis	N/A	Adjusted Price / Room	\$803,213
Net Initial Yield/Cap. Rate	N/A		
Actual Occupancy at Sale	N/A		

Financial

No information recorded

Map & Comments

Sale**Hotel - Full Service Hotel****No. 2**

Property Name The James Hotel
 Address 27-31 Grand Street Hotel
 New York, NY 10013
 United States

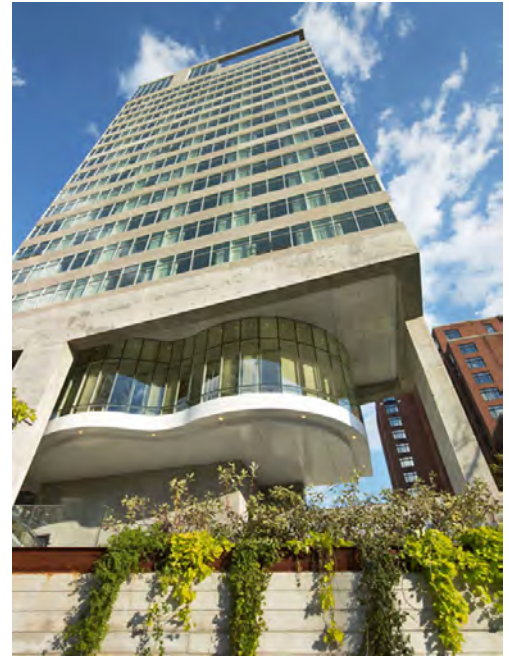
Government Tax Agency New York
 Govt./Tax ID 00227-0052, 00027-0050

Improvements

Status N/A
 Land Area 0.100 ac
 Gross Building Area (GBA) 102,520 sf
 Floor Count 17
 Year Built 2010
 Year Renovated N/A
 Construction Type N/A
 Parking Type N/A

Unique Physical Data

Class N/A
 # of Units 114 Room
 Standard Room Size 8,811 sf
 Affiliation N/A
 Lounge Seats N/A
 Restaurant Seats N/A

**Amenities**

Spa Services

Sale Summary

Recorded Buyer	Thor Equities	Marketing Time	N/A
True Buyer	Thor Equities	Buyer Type	Corporation
Recorded Seller	PGIM Real Estate FUnd	Seller Type	Pension Fund
True Seller	PGIM	Primary Verification	TRD/PKF/JLL

Interest Transferred	Fee Simple/Freehold
Current Use	Hotel
Proposed Use	Hotel
Listing Broker	JLL
Selling Broker	Jeff Davis of JLL
Doc #	N/A

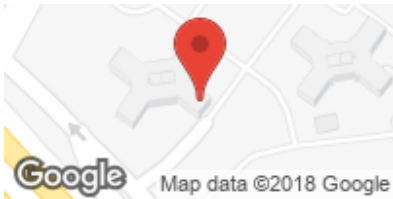
Type	Sale
Date	12/15/2017
Sale Price	\$66,300,000
Financing	Cash to Seller
Cash Equivalent	\$66,300,000
Capital Adjustment	\$0
Adjusted Price	\$66,300,000

Transaction Summary plus Five-Year CBRE View History

Transaction Date	Transaction Type	Buyer	Seller	Price	Cash Equivalent Price/sf
12/2017	Sale	Thor Equities	PGIM Real Estate FUnd	\$66,300,000	\$646.70
05/2013	Sale	Prudential Real Estate Investors	Brack Capital Real Estate	\$85,000,000	\$829.11
05/2013	Sale	Prudential Real Estate Investors	Brack Capital Real Estate	\$85,000,000	\$829.11
05/2013	Sale	Prudential Real Estate Investors	Brack Capital Real Estate	\$85,000,000	\$829.11

Sale**Hotel - Full Service Hotel****No. 2****Units of Comparison**

Static Analysis Method	Trailing Actuals	Adjusted Price / sf	\$646.70
Buyer's Primary Analysis	Price and Capitalization Analyses	Adjusted Price / Room	\$581,579
Net Initial Yield/Cap. Rate	N/A		
Actual Occupancy at Sale	N/A		

Financial**No information recorded****Map & Comments**

The closing price is a step down from the \$70 million it initially went into contract for in August 2016. The price reduction means an even bigger loss than expected for the seller, PGIM Real Estate, which bought the hotel for \$83.4 million in 2013. PGIM, formerly known as Prudential Real Estate Investors, had acquired the property from Brack Capital Real Estate, which developed the hotel in 2010.

The deal is expected to mark the end of a year-long legal dispute between Thor and PGIM. The seller had accused Thor in December 2016 of breaching the contract.

The lawsuit centered on PGIM's contract stipulation that Thor seek the approval of the transfer of the hotel's liquor licenses from the New York State Liquor Authority and Community Board 2. PGIM claimed that Thor failed to do so, "intentionally engineering the failure of its applications" for a temporary retail permit. Thor then filed a motion to dismiss and, for much of this year, continued to pursue liquor license approvals. In August, the State Liquor Authority denied Thor's application for permanent liquor licenses.

Shortly after, the parties moved toward a settlement and agreed to a new closing date of Dec. 14, records show.

Sale**Hotel - Full Service Hotel****No. 3**

Property Name Smyth Tribeca Hotel
 Address 85 West Broadway
 New York, NY 10007
 United States

Government Tax Agency New York
 Govt./Tax ID N/A

No image to display.

Improvements

Status Existing
 Land Area 0.172 ac
 Gross Building Area (GBA) N/A
 Floor Count N/A
 Year Built N/A
 Year Renovated N/A
 Construction Type N/A
 Parking Type N/A

Unique Physical Data

Class N/A
 # of Units 100 Room
 Standard Room Size N/A
 Affiliation N/A
 Lounge Seats N/A
 Restaurant Seats N/A

Amenities

N/A

Sale Summary

Recorded Buyer 85 West Broadway Propco., LLC
 True Buyer
 Recorded Seller
 True Seller 85 West Broadway Owner LLC

Marketing Time N/A
 Buyer Type N/A
 Seller Type Corporation
 Primary Verification Deed

Interest Transferred Fee Simple/Freehold

Current Use N/A
 Proposed Use N/A
 Listing Broker N/A
 Selling Broker N/A
 Doc # N/A

Type	Sale
Date	11/22/2017
Sale Price	\$72,226,000
Financing	All Cash
Cash Equivalent	\$72,226,000
Capital Adjustment	\$0
Adjusted Price	\$72,226,000

Transaction Summary plus Five-Year CBRE View History

<u>Transaction Date</u>	<u>Transaction Type</u>	<u>Buyer</u>	<u>Seller</u>	<u>Price</u>	<u>Cash Equivalent Price/sf</u>
11/2017	Sale	85 West Broadway Propco., LLC	85 West Broadway Owner LLC	\$72,226,000	N/A

Sale

Hotel - Full Service Hotel

No. 3

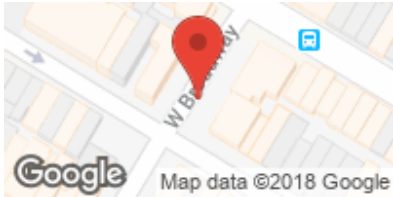
Units of Comparison

Static Analysis Method	N/A	Adjusted Price / sf	N/A
Buyer's Primary Analysis	N/A	Adjusted Price / Room	\$722,260
Net Initial Yield/Cap. Rate	N/A		
Actual Occupancy at Sale	N/A		

Financial

No information recorded

Map & Comments



Sale**Hotel - Full Service Hotel****No. 4**

Property Name Hilton New York Fashion District
 Address 152 West 26th Street
 New York, NY 10001
 United States

Government Tax Agency New York
 Govt./Tax ID Block 801, Lot 71

Improvements

Status Existing
 Land Area 0.220 ac
 Gross Building Area (GBA) 122,236 sf
 Floor Count 21
 Year Built 2010
 Year Renovated N/A
 Construction Type N/A
 Parking Type N/A

Unique Physical Data

Class N/A
 # of Units 280 Room
 Standard Room Size N/A
 Affiliation Hilton
 Lounge Seats N/A
 Restaurant Seats N/A

**Amenities**

N/A

Sale Summary

Recorded Buyer	N/A	Marketing Time	N/A
True Buyer	China Huarong International Holdings	Buyer Type	N/A
Recorded Seller	N/A	Seller Type	N/A
True Seller	RLJ	Primary Verification	N/A

Interest Transferred	Fee Simple/Freehold
Current Use	N/A
Proposed Use	N/A
Listing Broker	N/A
Selling Broker	N/A
Doc #	N/A

Type	Sale
Date	12/5/2016
Sale Price	\$142,800,000
Financing	N/A
Cash Equivalent	\$142,800,000
Capital Adjustment	\$0
Adjusted Price	\$142,800,000

Transaction Summary plus Five-Year CBRE View History

<u>Transaction Date</u>	<u>Transaction Type</u>	<u>Buyer</u>	<u>Seller</u>	<u>Price</u>	<u>Cash Equivalent Price/sf</u>
12/2016	Sale	N/A	N/A	\$142,800,000	\$1,168.23

Sale	Hotel - Full Service Hotel	No. 4
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Units of Comparison

Static Analysis Method	N/A	Adjusted Price / sf	\$1,168.23
Buyer's Primary Analysis	N/A	Adjusted Price / Room	\$510,000
Net Initial Yield/Cap. Rate	N/A		
Actual Occupancy at Sale	N/A		

Financial

No information recorded

Map & Comments



Sale**Hotel - Limited Service Hotel****No. 5**

Property Name Hilton Garden Inn Herald Square
 Address 65 West 35th Street
 New York, NY 10001
 United States

Government Tax Agency new york
 Govt./Tax ID N/A

No image to display.

Improvements

Status Existing
 Land Area 0.169 ac
 Gross Building Area (GBA) 122,859 sf
 Floor Count 31
 Year Built 2009
 Year Renovated N/A
 Construction Type N/A
 Parking Type N/A

Unique Physical Data

Class N/A
 # of Units 298 Room
 Standard Room Size N/A
 Affiliation N/A
 Lounge Seats N/A
 Restaurant Seats N/A

Amenities

N/A

Sale Summary

Recorded Buyer	N/A	Marketing Time	N/A
True Buyer	China Huarong International Holdings	Buyer Type	N/A
Recorded Seller	N/A	Seller Type	N/A
True Seller	RLJ	Primary Verification	N/A

Interest Transferred	Fee Simple/Freehold
Current Use	N/A
Proposed Use	N/A
Listing Broker	N/A
Selling Broker	N/A
Doc #	N/A

Type	Sale
Date	12/5/2016
Sale Price	\$143,040,000
Financing	N/A
Cash Equivalent	\$143,040,000
Capital Adjustment	\$0
Adjusted Price	\$143,040,000

Transaction Summary plus Five-Year CBRE View History

<u>Transaction Date</u>	<u>Transaction Type</u>	<u>Buyer</u>	<u>Seller</u>	<u>Price</u>	<u>Cash Equivalent Price/sf</u>
12/2016	Sale	N/A	N/A	\$143,040,000	\$1,164.26

Sale	Hotel - Limited Service Hotel	No. 5
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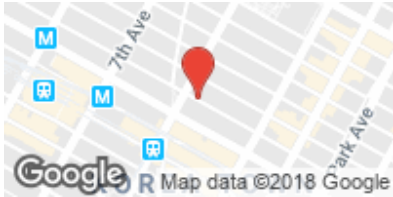
Units of Comparison

Static Analysis Method	N/A	Adjusted Price / sf	\$1,164.26
Buyer's Primary Analysis	N/A	Adjusted Price / Room	\$480,000
Net Initial Yield/Cap. Rate	N/A		
Actual Occupancy at Sale	N/A		

Financial

No information recorded

Map & Comments



Sale**Hotel - Full Service Hotel****No. 6**

Property Name Hilton Garden Inn Chelsea
 Address 121 West 28th Street
 Between 6th and 7th Avenues
 New York, NY 10001
 United States
 Government Tax Agency New York
 Govt./Tax ID Block 804 Lot 24

Improvements

Status N/A
 Land Area 0.000 ac
 Gross Building Area (GBA) 71,500 sf
 Floor Count 23
 Year Built 2007
 Year Renovated N/A
 Construction Type N/A
 Parking Type None

Unique Physical Data

Class N/A
 # of Units 169 Room
 Standard Room Size 300 sf
 Affiliation Hilton
 Lounge Seats 0
 Restaurant Seats 35

**Amenities**

N/A

Sale Summary

Recorded Buyer	Han's 28 Hospitality	Marketing Time	N/A
True Buyer	N/A	Buyer Type	N/A
Recorded Seller	N/A	Seller Type	N/A
True Seller	DiamondRock Hospitality	Primary Verification	N/A

Interest Transferred	Fee Simple/Freehold	Type	Sale
Current Use	N/A	Date	7/7/2016
Proposed Use	N/A	Sale Price	\$65,000,000
Listing Broker	N/A	Financing	N/A
Selling Broker	N/A	Cash Equivalent	\$65,000,000
Doc #	N/A	Capital Adjustment	\$0
		Adjusted Price	\$65,000,000

Transaction Summary plus Five-Year CBRE View History

<u>Transaction Date</u>	<u>Transaction Type</u>	<u>Buyer</u>	<u>Seller</u>	<u>Price</u>	<u>Cash Equivalent Price/sf</u>
07/2016	Sale	Han's 28 Hospitality	N/A	\$65,000,000	\$909.09

Sale

Hotel - Full Service Hotel

No. 6

Units of Comparison

Static Analysis Method	N/A	Adjusted Price / sf	\$909.09
Buyer's Primary Analysis	N/A	Adjusted Price / Room	\$384,615
Net Initial Yield/Cap. Rate	N/A		
Actual Occupancy at Sale	N/A		

Financial

No information recorded

Map & Comments



Sale**Hotel - Full Service Hotel****No. 7**

Property Name Howard Hotel
 Address 11 Howard Street
 New York, NY 10013
 United States

Government Tax Agency new york
 Govt./Tax ID N/A

Improvements

Status N/A
 Land Area N/A
 Gross Building Area (GBA) 114,500 sf
 Floor Count 14
 Year Built 1907
 Year Renovated N/A
 Construction Type N/A
 Parking Type N/A

Unique Physical Data

Class N/A
 # of Units 221 Room
 Standard Room Size N/A
 Affiliation HI
 Lounge Seats N/A
 Restaurant Seats N/A

**Amenities**

N/A

Sale Summary

Recorded Buyer	N/A	Marketing Time	N/A
True Buyer	N/A	Buyer Type	N/A
Recorded Seller	N/A	Seller Type	N/A
True Seller	N/A	Primary Verification	N/A

Interest Transferred	Fee Simple/Freehold
Current Use	N/A
Proposed Use	N/A
Listing Broker	N/A
Selling Broker	N/A
Doc #	N/A

Type	Sale
Date	4/19/2016
Sale Price	\$170,000,000
Financing	N/A
Cash Equivalent	\$170,000,000
Capital Adjustment	\$0
Adjusted Price	\$170,000,000

Transaction Summary plus Five-Year CBRE View History

Transaction Date	Transaction Type	Buyer	Seller	Price	Cash Equivalent Price/sf
04/2016	Sale	N/A	N/A	\$170,000,000	\$1,484.72
08/2014	Sale	RFR Holding LLC	Procaccianti and Calstrs	\$105,500,000	\$921.40

Sale	Hotel - Full Service Hotel	No. 7
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Units of Comparison

Static Analysis Method	N/A	Adjusted Price / sf	\$1,484.72
Buyer's Primary Analysis	N/A	Adjusted Price / Room	\$769,231
Net Initial Yield/Cap. Rate	N/A		
Actual Occupancy at Sale	N/A		

Financial

No information recorded

Map & Comments



Sale**Hotel - Full Service Hotel****No. 8**

Property Name The Jade Hotel
 Address 52 W 13th Street
 New York, NY 10011
 United States

Government Tax Agency New York
 Govt./Tax ID Block: 576 Lot: 14

Improvements

Status N/A
 Land Area 0.100 ac
 Gross Building Area (GBA) 75,000 sf
 Floor Count 18
 Year Built 2013
 Year Renovated N/A
 Construction Type N/A
 Parking Type N/A

Unique Physical Data

Class N/A
 # of Units 113 Room
 Standard Room Size N/A
 Affiliation N/A
 Lounge Seats N/A
 Restaurant Seats N/A

**Amenities**

N/A

Sale Summary

Recorded Buyer	Bridgeton Holdings	Marketing Time	N/A
True Buyer	N/A	Buyer Type	N/A
Recorded Seller	Gemini Real Estate Advisors, LLC	Seller Type	N/A
True Seller	N/A	Primary Verification	Public Record

Interest Transferred	N/A	Type	Sale
Current Use	N/A	Date	12/3/2015
Proposed Use	N/A	Sale Price	\$78,000,000
Listing Broker	N/A	Financing	N/A
Selling Broker	N/A	Cash Equivalent	\$78,000,000
Doc #	N/A	Capital Adjustment	\$0
		Adjusted Price	\$78,000,000

Transaction Summary plus Five-Year CBRE View History

Transaction Date	Transaction Type	Buyer	Seller	Price	Cash Equivalent Price/sf
12/2015	Sale	Bridgeton Holdings	Gemini Real Estate Advisors, LLC	\$78,000,000	\$1,040.00

Sale	Hotel - Full Service Hotel	No. 8
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Units of Comparison

Static Analysis Method	N/A	Adjusted Price / sf	\$1,040.00
Buyer's Primary Analysis	N/A	Adjusted Price / Room	\$690,265
Net Initial Yield/Cap. Rate	N/A		
Actual Occupancy at Sale	N/A		

Financial

No information recorded

Map & Comments



Sale**Hotel - Full Service Hotel****No. 9**

Property Name Martha Washington Hotel
 Address 29 East 29th Street
 New York, NY 10016
 United States

Government Tax Agency New York
 Govt./Tax ID N/A

Improvements

Status N/A
 Land Area N/A
 Building Area N/A
 Floor Count N/A
 Year Built N/A
 Year Renovated N/A
 Construction Type N/A
 Parking Type N/A

Unique Physical Data

Class N/A
 # of Units 256 Room
 Standard Room Size N/A
 Affiliation N/A
 Lounge Seats N/A
 Restaurant Seats N/A

**Amenities**

N/A

Sale Summary

Recorded Buyer	N/A	Marketing Time	N/A
True Buyer	CIM Group	Buyer Type	N/A
Recorded Seller	N/A	Seller Type	N/A
True Seller	Chelsea Hotels	Primary Verification	N/A

Interest Transferred	N/A	Type	Sale
Current Use	N/A	Date	11/10/2015
Proposed Use	N/A	Sale Price	\$171,750,000
Listing Broker	N/A	Financing	N/A
Selling Broker	N/A	Cash Equivalent	\$171,750,000
Doc #	N/A	Capital Adjustment	\$0
		Adjusted Price	\$171,750,000

Transaction Summary plus Five-Year CBRE View History

Transaction Date	Transaction Type	Buyer	Seller	Price	Cash Equivalent Price/sf
11/2015	Sale	N/A	N/A	\$171,750,000	N/A

Sale Hotel - Full Service Hotel No. 9

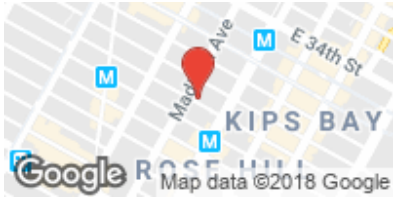
Units of Comparison

Static Analysis Method	N/A	Adjusted Price / sf	N/A
Buyer's Primary Analysis	N/A	Adjusted Price / Room	\$670,898
Net Initial Yield/Cap. Rate	N/A		
Actual Occupancy at Sale	N/A		

Financial

No information recorded

Map & Comments



Planned to be converted to a Redbury Hotel by SBE at the time of sale

Addendum

SUBMITTED DATA

Company: FlatironHotel Operations LLC Property: Flatiron Hotel

Income Statement

As of 12/31/2016

Account Number	Jan 2016 (Actual)	Feb 2016 (Actual)	Mar 2016 (Actual)	Apr 2016 (Actual)	May 2016 (Actual)	Jun 2016 (Actual)	Jul 2016 (Actual)	Aug 2016 (Actual)	Sep 2016 (Actual)	Oct 2016 (Actual)	Nov 2016 (Actual)	Dec 2016 (Actual)	Total (Mixed)
Summary													
Rooms Available	1,984	1,856	1,984	1,920	1,984	1,920	1,984	1,984	1,920	1,984	1,920	1,984	23,424
Rooms Occupied	0	0	0	0	0	0	0	0	1,718	1,775	1,675	1,835	7,003
Occ %	100.00%	100.00%	100.00%	100.00%	100.00%	89.74%	87.65%	75.86%	88.70%	89.42%	87.24%	92.49%	92.56%
ADR	67.12	104.46	158.11	179.34	216.73	234.07	200.59	198.07	276.11	266.27	228.33	243.00	195.38
RevPAR	67.12	104.46	158.11	179.34	216.73	210.05	175.82	150.25	244.91	238.09	199.20	224.75	180.85
Operating Revenue													
Rooms Revenue	133,169.70	193,885.07	313,699.25	344,336.10	429,983.58	403,299.27	348,830.69	298,088.39	470,221.39	472,365.53	382,459.54	445,898.28	4,236,236.79
Food & Beverage Revenue	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other Operated Departments Revenue	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2.77	0.00	-2.77	0.00
Miscellaneous Income	1,231.73	26,694.12	32,937.11	29,219.63	29,789.72	37,970.58	34,983.28	29,790.03	32,030.45	34,525.61	33,956.60	32,986.39	356,115.25
Total Operating Revenue	134,401.43	220,579.19	346,636.36	373,555.73	459,773.30	441,269.85	383,813.97	327,878.42	502,251.84	506,893.91	416,416.14	478,881.90	4,592,352.04
Departmental Expenses													
Rooms Expenses	111,355.31	90,194.88	106,117.15	121,096.26	105,993.09	109,006.59	117,069.80	104,024.11	123,527.42	79,993.35	164,744.31	125,648.78	1,358,771.05
Food & Beverage Expenses	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other Operated Department Expenses	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Departmental Expenses	111,355.31	90,194.88	106,117.15	121,096.26	105,993.09	109,006.59	117,069.80	104,024.11	123,527.42	79,993.35	164,744.31	125,648.78	1,358,771.05
Total Departmental Profit	23,046.12	130,384.31	240,519.21	252,459.47	353,780.21	332,263.26	266,744.17	223,854.31	378,724.42	426,900.56	251,671.83	353,233.12	3,233,580.99
Undistributed Operating Expenses													
Admin & General	60,735.62	42,863.58	56,242.67	49,932.99	64,544.16	62,752.96	43,454.94	36,038.37	51,097.54	53,738.67	36,790.13	71,288.39	629,480.02
Info & Telecom	2,856.29	8,748.47	3,520.14	3,316.48	11,121.19	2,832.80	3,268.60	4,820.20	2,171.13	1,441.96	2,222.10	26,147.16	72,466.52
Sales & Marketing	10,270.87	5,878.00	6,321.99	6,829.80	4,928.62	4,959.06	6,010.61	4,463.06	5,302.59	3,825.49	1,655.90	6,593.55	67,039.54
Franchise Fees	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Property Operations & Maintenance	29,660.93	18,262.12	20,261.92	24,560.94	16,017.73	54,833.85	-19,684.19	17,153.97	14,431.40	12,310.06	8,886.39	16,471.21	213,166.33
Utilities	16,017.95	20,479.14	17,834.20	16,285.02	7,814.08	16,156.45	20,376.70	20,307.70	29,012.28	20,692.20	24,007.44	25,546.60	234,529.76
Total Undistributed Expenses	119,541.66	96,231.31	104,180.92	100,925.23	104,425.78	141,535.12	53,426.66	82,783.30	102,014.94	92,008.38	73,561.96	146,046.91	1,216,682.17
Gross Operating Profit	(96,495.54)	34,153.00	136,338.29	151,534.24	249,354.43	190,728.14	213,317.51	141,071.01	276,709.48	334,892.18	178,109.87	207,186.21	2,016,898.82
Management Fees	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Income Before Non-Oper. Expenses	(96,495.54)	34,153.00	136,338.29	151,534.24	249,354.43	190,728.14	213,317.51	141,071.01	276,709.48	334,892.18	178,109.87	207,186.21	2,016,898.82
Non-Operating Expenses													
Rent	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	21.85	21.85
Property & Other Taxes	1,523.80	0.00	0.00	0.00	0.00	0.00	49,260.60	49,260.60	49,260.60	49,260.60	49,260.60	342,563.26	590,390.06
Insurance	15,953.40	15,953.40	15,953.40	15,953.40	16,673.03	16,673.03	14,101.43	14,101.43	14,104.87	13,381.80	13,381.80	13,381.80	179,612.79
Other Non-Operating Expenses	0.00	0.00	0.00	0.00	0.00	0.00	10,365.00	0.00	0.00	0.00	3,400.00	1,753.07	15,518.07
Total Non-Operating Expenses	17,477.20	15,953.40	15,953.40	15,953.40	16,673.03	16,673.03	73,727.03	63,362.03	63,365.47	62,642.40	66,042.40	357,719.98	785,542.77
EBITDA	(113,972.74)	18,199.60	120,384.89	135,580.84	232,681.40	174,055.11	139,590.48	77,708.98	213,344.01	272,249.78	112,067.47	(150,533.77)	1,231,356.05
EBITDA less Replacement FFE Reserve	(113,972.74)	18,199.60	120,384.89	135,580.84	232,681.40	174,055.11	139,590.48	77,708.98	213,344.01	272,249.78	112,067.47	(150,533.77)	1,231,356.05
Depreciation & Amortization	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	385,901.89	385,901.89
Interest	113,129.65	113,128.73	105,720.51	112,860.35	126,091.47	95,510.08	108,858.08	112,349.91	112,229.10	108,491.21	111,969.28	961,782.59	2,182,120.96
Income Taxes	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Company: FlatironHotel Operations LLC Property: Flatiron Hotel

Income Statement

As of 12/31/2017

Account Number	Jan 2017 (Actual)	Feb 2017 (Actual)	Mar 2017 (Actual)	Apr 2017 (Actual)	May 2017 (Actual)	Jun 2017 (Actual)	Jul 2017 (Actual)	Aug 2017 (Actual)	Sep 2017 (Actual)	Oct 2017 (Actual)	Nov 2017 (Actual)	Dec 2017 (Actual)	Total (Mixed)
Summary													
Rooms Available	1,984	1,792	1,984	1,920	1,984	1,920	1,984	1,984	1,920	1,984	1,920	1,984	23,360
Rooms Occupied	1,326	1,218	1,509	1,782	1,728	1,668	1,826	1,785	1,736	1,858	1,682	1,691	19,809
Occ %	66.38%	67.97%	75.91%	92.14%	87.10%	86.88%	92.04%	89.97%	90.42%	93.65%	87.60%	85.23%	84.69%
ADR	144.56	155.97	188.74	229.26	258.59	244.36	212.79	198.26	277.02	249.43	222.56	245.58	222.45
RevPAR	95.96	106.01	143.27	211.23	225.23	212.29	195.84	178.37	250.47	233.59	194.97	209.32	188.40
Operating Revenue													
Rooms Revenue	190,386.01	189,973.02	284,242.14	405,558.83	446,846.74	407,587.93	388,546.13	353,893.03	480,911.52	463,444.95	374,350.52	415,282.57	4,401,023.39
Food & Beverage Revenue	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other Operated Departments Revenue	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Miscellaneous Income	28,253.01	26,905.19	30,717.79	37,063.44	37,059.30	36,071.40	36,511.03	36,821.48	35,851.29	38,344.30	37,325.26	34,676.20	415,599.69
Total Operating Revenue	218,639.02	216,878.21	314,959.93	442,622.27	483,906.04	443,659.33	425,057.16	390,714.51	516,762.81	501,789.25	411,675.78	449,958.77	4,816,623.08
Departmental Expenses													
Rooms Expenses	71,292.40	103,144.71	126,770.52	96,548.38	80,281.10	196,678.50	99,699.87	109,174.07	92,116.49	153,616.68	186,692.19	141,188.25	1,457,203.16
Food & Beverage Expenses	19.40	92.53	-92.53	0.00	0.00	0.00	0.00	-19.40	0.00	0.00	0.00	0.00	0.00
Other Operated Department Expenses	184.03	0.00	-184.03	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Departmental Expenses	71,495.83	103,237.24	126,493.96	96,548.38	80,281.10	196,678.50	99,699.87	109,154.67	92,116.49	153,616.68	186,692.19	141,188.25	1,457,203.16
Total Departmental Profit	147,143.19	113,640.97	188,465.97	346,073.89	403,624.94	246,980.83	325,357.29	281,559.84	424,646.32	348,172.57	224,983.59	308,770.52	3,359,419.92
Undistributed Operating Expenses													
Admin & General	46,941.34	47,620.23	47,828.59	65,941.36	57,365.52	59,297.54	54,069.67	44,403.23	48,509.80	86,549.36	79,601.15	86,774.64	724,902.43
Info & Telecom	3,443.48	2,165.48	4,672.29	5,912.30	765.23	2,117.67	1,920.03	10,123.58	7,476.36	14,495.64	2,866.05	2,737.69	58,695.80
Sales & Marketing	-346.36	504.77	2,863.00	0.00	0.00	0.00	0.00	278.07	500.00	0.00	2,750.00	0.00	6,549.48
Franchise Fees	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Property Operations & Maintenance	18,494.17	5,662.01	19,609.69	10,408.29	18,244.21	14,015.78	8,280.97	8,512.84	11,704.53	24,156.36	28,382.85	15,790.38	183,262.08
Utilities	17,015.45	18,636.59	14,542.60	11,295.14	12,999.00	23,247.71	7,365.50	23,862.27	12,982.65	63,121.55	-8,601.97	22,240.81	218,707.30
Total Undistributed Expenses	85,548.08	74,589.08	89,516.17	93,557.09	89,373.96	98,678.70	71,636.17	87,179.99	81,173.34	188,322.91	104,998.08	127,543.52	1,192,117.09
Gross Operating Profit	61,595.11	39,051.89	98,949.80	252,516.80	314,250.98	148,302.13	253,721.12	194,379.85	343,472.98	159,849.66	119,985.51	181,227.00	2,167,302.83
Management Fees	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Income Before Non-Oper. Expenses	61,595.11	39,051.89	98,949.80	252,516.80	314,250.98	148,302.13	253,721.12	194,379.85	343,472.98	159,849.66	119,985.51	181,227.00	2,167,302.83
Non-Operating Expenses													
Rent	1,048.54	1,048.54	1,048.54	1,048.54	1,048.54	1,048.54	1,048.54	1,048.54	-160.83	13,782.50	4,968.54	1,048.54	28,027.07
Property & Other Taxes	49,260.60	49,735.60	48,803.21	48,503.21	48,503.21	48,503.19	57,334.93	57,334.93	57,334.93	57,334.93	57,334.93	57,334.91	637,318.58
Insurance	13,381.80	13,381.80	10,768.33	10,768.33	10,768.33	18,190.68	5,868.01	5,868.01	5,868.01	5,868.01	5,868.01	5,868.01	112,467.33
Other Non-Operating Expenses	3,400.00	0.00	12,875.00	0.00	11,800.00	6,939.00	3,400.00	3,400.00	0.00	0.00	10,600.00	3,500.00	55,914.00
Total Non-Operating Expenses	67,090.94	64,165.94	73,495.08	60,320.08	72,120.08	74,681.41	67,651.48	67,651.48	63,042.11	76,985.44	78,771.48	67,751.46	833,726.98
EBITDA	(5,495.83)	(25,114.05)	25,454.72	192,196.72	242,130.90	73,620.72	186,069.64	126,728.37	280,430.87	82,864.22	41,214.03	113,475.54	1,333,575.85
Replacement FFE Reserves-Stats Only	0.00	12,582.55	12,582.55	12,582.55	0.00	25,165.10	14,120.79	14,120.79	14,120.79	14,120.79	14,120.79	14,120.79	147,637.49
EBITDA less Replacement FFE Reserve	(5,495.83)	(37,696.60)	12,872.17	179,614.17	242,130.90	48,455.62	171,948.85	112,607.58	266,310.08	68,743.43	27,093.24	99,354.75	1,185,938.36

Addendum

SMITH TRAVEL RESEARCH REPORT

Trend # 1011741_SADIM / Created August 29, 2018

Trend Report - New York, NY Selected Properties

January 2012 to July 2018 Currency : USD - US Dollar



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Source: 2018 STR, Inc. / STR Global, Ltd. trading as "STR".

Occupancy (%)														
	January	February	March	April	May	June	July	August	September	October	November	December	Total Year	Jul YTD
2012	69.8	76.3	86.7	88.8	88.9	86.6	82.5	88.5	86.5	87.9	82.5	84.0	84.1	82.8
2013	72.5	80.0	90.2	89.1	92.3	90.7	87.6	94.5	91.4	90.3	83.0	83.4	87.1	86.1
2014	70.7	76.3	81.9	84.4	85.8	86.1	83.1	88.0	85.8	89.0	81.4	81.4	82.8	81.2
2015	69.8	79.7	85.7	91.3	92.3	93.2	92.0	92.0	93.0	92.6	86.9	86.9	88.0	86.3
2016	74.9	82.0	90.7	88.8	88.4	90.8	88.7	87.6	92.1	91.1	90.6	86.6	87.7	86.4
2017	69.2	72.8	78.3	79.5	79.0	77.3	76.2	76.4	83.4	88.0	87.4	87.0	79.8	76.1
2018	68.9	75.9	83.4	84.7	86.4	86.3	84.2							81.5
Avg	70.8	77.5	85.2	86.6	87.5	87.2	84.9	87.7	88.6	89.8	85.3	84.9	84.9	82.9

ADR (\$)															Total Year	Jul YTD
	January	February	March	April	May	June	July	August	September	October	November	December				
2012	187.89	200.59	228.31	261.19	274.91	264.02	231.33	231.04	303.93	308.18	296.71	294.57	258.70	237.99		
2013	200.54	207.57	242.02	275.61	290.01	274.70	237.00	233.53	320.64	321.76	282.18	305.46	267.49	249.25		
2014	218.18	215.44	227.40	281.94	305.01	282.11	239.47	241.55	339.14	332.94	288.78	304.60	274.63	254.69		
2015	199.83	213.67	234.12	258.40	294.98	284.48	237.17	236.53	339.88	336.50	275.58	285.63	268.87	248.93		
2016	184.52	194.88	229.64	256.92	286.55	273.83	232.31	232.75	324.16	305.58	282.94	287.27	259.54	239.09		
2017	191.26	194.27	222.88	263.14	282.60	265.71	230.92	224.01	312.01	299.23	266.50	279.61	256.04	237.47		
2018	184.63	181.23	232.96	262.16	302.70	281.92	238.67							243.96		
Avg	195.12	200.92	231.25	265.50	291.16	275.53	235.38	233.33	323.32	317.16	281.64	292.40	264.21	244.54		

RevPAR (\$)														
	January	February	March	April	May	June	July	August	September	October	November	December	Total Year	Jul YTD
2012	131.06	153.03	197.96	232.00	244.37	228.72	190.92	204.56	262.93	270.88	244.90	247.52	217.66	197.17
2013	145.35	166.12	218.27	245.51	267.65	249.20	207.69	220.72	293.16	290.62	234.16	254.89	233.08	214.62
2014	154.29	164.36	186.23	237.85	261.59	242.77	199.02	212.64	290.91	296.48	235.08	247.99	227.51	206.77
2015	139.48	170.24	200.53	235.83	272.17	265.08	218.19	217.56	316.19	311.77	239.58	248.21	236.58	214.86
2016	138.18	159.80	208.31	228.15	253.24	248.68	206.13	203.92	298.44	278.42	256.26	248.84	227.66	206.51
2017	132.35	141.49	174.45	209.28	223.14	205.46	175.88	171.09	260.24	263.47	232.88	243.34	204.23	180.64
2018	127.27	137.64	194.19	222.04	261.68	243.42	200.99							198.73
Avg	138.14	155.81	197.09	229.97	254.91	240.39	199.76	204.55	286.53	284.85	240.36	248.38	224.28	202.66

Supply														
	January	February	March	April	May	June	July	August	September	October	November	December	Total Year	Jul YTD
2012	43,865	39,620	43,865	42,450	43,865	42,450	43,865	43,865	42,450	43,865	42,450	43,865	516,475	299,980
2013	43,865	39,620	43,865	42,450	43,865	42,450	43,865	43,865	42,450	43,865	42,450	43,865	516,475	299,980
2014	44,082	39,816	43,772	42,360	43,772	42,360	43,772	43,586	42,030	43,431	42,030	43,431	514,442	299,934
2015	43,276	39,088	43,276	42,030	43,431	42,030	43,462	43,617	42,210	43,617	42,180	43,617	511,834	296,593
2016	43,617	39,396	43,865	42,450	43,865	42,450	43,865	43,865	42,450	43,865	42,450	43,865	516,003	299,508
2017	43,865	39,620	43,865	42,450	43,865	43,260	44,702	47,926	46,470	48,484	46,710	48,267	539,484	301,627
2018	48,267	43,596	48,267	46,770	48,329	46,770	48,329							330,328
Avg	44,405	40,108	44,396	42,994	44,427	43,110	44,551	44,454	43,010	44,521	43,045	44,485	519,119	303,993

Demand														Total Year	Jul YTD
	January	February	March	April	May	June	July	August	September	October	November	December			
2012	30,597	30,225	38,035	37,705	38,991	36,774	36,203	38,838	36,724	38,556	35,037	36,858	434,543	248,530	
2013	31,793	31,708	39,559	37,813	40,483	38,509	38,440	41,458	38,812	39,619	35,226	36,603	450,023	258,305	
2014	31,173	30,376	35,847	35,736	37,540	36,452	36,377	38,370	36,053	38,675	34,215	35,359	426,173	243,501	
2015	30,206	31,143	37,067	38,359	40,073	39,164	39,984	40,120	39,268	40,411	36,670	37,902	450,367	255,996	
2016	32,662	32,304	39,791	37,697	38,766	38,552	38,921	38,430	39,082	39,967	38,446	37,997	452,615	258,693	
2017	30,355	28,857	34,333	33,762	34,636	33,451	34,047	36,605	38,760	42,690	40,818	42,006	430,320	229,441	
2018	33,273	33,110	40,235	39,612	41,779	40,383	40,698							269,090	
Avg	31,437	31,103	37,838	37,241	38,895	37,612	37,810	38,970	38,117	39,986	36,735	37,788	440,674	251,937	

Revenue (\$)														Total Year	Jul YTD
	January	February	March	April	May	June	July	August	September	October	November	December			
2012	5,748,980	6,062,908	8,683,691	9,848,325	10,719,084	9,709,242	8,374,910	8,972,943	11,161,414	11,882,076	10,395,801	10,857,328	112,416,702	59,147,140	
2013	6,375,725	6,581,783	9,574,245	10,421,756	11,740,541	10,578,554	9,110,431	9,681,889	12,444,748	12,747,833	9,940,140	11,180,910	120,378,555	64,383,035	
2014	6,801,400	6,544,065	8,151,584	10,075,373	11,450,176	10,283,615	8,711,285	9,268,343	12,227,140	12,876,448	9,880,618	10,770,240	117,040,287	62,017,498	
2015	6,036,131	6,654,180	8,678,142	9,912,065	11,820,803	11,141,343	9,482,962	9,489,466	13,346,414	13,598,430	10,105,363	10,826,094	121,091,393	63,725,626	
2016	6,026,897	6,295,299	9,137,420	9,685,111	11,108,451	10,556,538	9,041,679	8,944,750	12,668,749	12,212,986	10,878,039	10,915,547	117,471,466	61,851,395	
2017	5,805,625	5,605,977	7,652,162	8,884,118	9,788,250	8,888,119	7,862,244	8,199,816	12,093,408	12,774,316	10,877,972	11,745,166	110,177,173	54,486,495	
2018	6,143,102	6,000,576	9,372,979	10,384,721	12,646,646	11,384,948	9,713,500							65,646,472	

Avg	6,133,980	6,249,255	8,750,032	9,887,353	11,324,850	10,363,194	8,899,573	9,092,868	12,323,646	12,682,015	10,346,322	11,049,214	116,429,263	61,608,237
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Tab 3 - Percent Change from Previous Year - Detail by Measure

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New York, NY Selected Properties

Job Number: 1011741_SADIM Staff: SS Created: August 29, 2018

Occupancy															
	January	February	March	April	May	June	July	August	September	October	November	December		Total Year	Jul YTD
2013	3.9	4.9	4.0	0.3	3.8	4.7	6.2	6.7	5.7	2.8	0.5	-0.7		3.6	3.9
2014	-2.4	-4.7	-9.2	-5.3	-7.1	-5.1	-5.2	-6.9	-6.2	-1.4	-1.9	-2.4		-4.9	-5.7
2015	-1.3	4.4	4.6	8.2	7.6	8.3	10.7	4.5	8.5	4.0	6.8	6.7		6.2	6.3
2016	7.3	2.9	5.9	-2.7	-4.2	-2.5	-3.6	-4.8	-1.0	-1.7	4.2	-0.3		-0.3	0.1
2017	-7.6	-11.2	-13.7	-10.4	-10.7	-14.9	-14.2	-12.8	-9.4	-3.4	-3.5	0.5		-9.1	-11.9
2018	-0.4	4.3	6.5	6.5	9.5	11.7	10.6								7.1
Avg	-0.1	0.1	-0.3	-0.6	-0.2	0.4	0.8	-2.6	-0.5	0.1	1.2	0.8		-0.9	-0.0

ADR															
	January	February	March	April	May	June	July	August	September	October	November	December		Total Year	Jul YTD
2013	6.7	3.5	6.0	5.5	5.5	4.0	2.5	1.1	5.5	4.4	-4.9	3.7		3.4	4.7
2014	8.8	3.8	-6.0	2.3	5.2	2.7	1.0	3.4	5.8	3.5	2.3	-0.3		2.7	2.2
2015	-8.4	-0.8	3.0	-8.3	-3.3	0.8	-1.0	-2.1	0.2	1.1	-4.6	-6.2		-2.1	-2.3
2016	-7.7	-8.8	-1.9	-0.6	-2.9	-3.7	-2.0	-1.6	-4.6	-9.2	2.7	0.6		-3.5	-4.0
2017	3.6	-0.3	-2.9	2.4	-1.4	-3.0	-0.6	-3.8	-3.7	-2.1	-5.8	-2.7		-1.4	-0.7
2018	-3.5	-6.7	4.5	-0.4	7.1	6.1	3.4								2.7
Avg	-0.1	-1.6	0.4	0.2	1.7	1.2	0.5	-0.6	0.6	-0.5	-2.1	-1.0		-0.2	0.5

RevPAR															
	January	February	March	April	May	June	July	August	September	October	November	December		Total Year	Jul YTD
2013	10.9	8.6	10.3	5.8	9.5	9.0	8.8	7.9	11.5	7.3	-4.4	3.0		7.1	8.9
2014	6.2	-1.1	-14.7	-3.1	-2.3	-2.6	-4.2	-3.7	-0.8	2.0	0.4	-2.7		-2.4	-3.7
2015	-9.6	3.6	7.7	-0.8	4.0	9.2	9.6	2.3	8.7	5.2	1.9	0.1		4.0	3.9
2016	-0.9	-6.1	3.9	-3.3	-7.0	-6.2	-5.5	-6.3	-5.6	-10.7	7.0	0.3		-3.8	-3.9
2017	-4.2	-11.5	-16.3	-8.3	-11.9	-17.4	-14.7	-16.1	-12.8	-5.4	-9.1	-2.2		-10.3	-12.5
2018	-3.8	-2.7	11.3	6.1	17.3	18.5	14.3								10.0
Avg	-0.3	-1.5	0.4	-0.6	1.6	1.7	1.4	-3.2	0.2	-0.3	-0.8	-0.3		-1.1	0.5

Supply															
	January	February	March	April	May	June	July	August	September	October	November	December		Total Year	Jul YTD
2013	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		0.0	0.0
2014	0.5	0.5	-0.2	-0.2	-0.2	-0.2	-0.2	-0.6	-1.0	-1.0	-1.0	-1.0		-0.4	-0.0
2015	-1.8	-1.8	-1.1	-0.8	-0.8	-0.8	-0.7	0.1	0.4	0.4	0.4	0.4		-0.5	-1.1
2016	0.8	0.8	1.4	1.0	1.0	1.0	0.9	0.6	0.6	0.6	0.6	0.6		0.8	1.0
2017	0.6	0.6	0.0	0.0	0.0	1.9	1.9	9.3	9.5	10.5	10.0	10.0		4.6	0.7
2018	10.0	10.0	10.0	10.2	10.2	8.1	8.1								9.5
Avg	1.7	1.7	1.7	1.7	1.7	1.7	1.7	1.9	1.9	2.1	2.0	2.0		0.9	1.7

Demand															
	January	February	March	April	May	June	July	August	September	October	November	December		Total Year	Jul YTD
2013	3.9	4.9	4.0	0.3	3.8	4.7	6.2	6.7	5.7	2.8	0.5	-0.7		3.6	3.9
2014	-2.0	-4.2	-9.4	-5.5	-7.3	-5.3	-5.4	-7.4	-7.1	-2.4	-2.9	-3.4		-5.3	-5.7
2015	-3.1	2.5	3.4	7.3	6.7	7.4	9.9	4.6	8.9	4.5	7.2	7.2		5.7	5.1
2016	8.1	3.7	7.3	-1.7	-3.3	-1.6	-2.7	-4.2	-0.5	-1.1	4.8	0.3		0.5	1.1
2017	-7.1	-10.7	-13.7	-10.4	-10.7	-13.2	-12.5	-4.7	-0.8	6.8	6.2	10.6		-4.9	-11.3
2018	9.6	14.7	17.2	17.3	20.6	20.7	19.5								17.3
Avg	1.6	1.8	1.5	1.2	1.7	2.1	2.5	-1.0	1.2	2.1	3.2	2.8		-0.1	1.7

Revenue															
	January	February	March	April	May	June	July	August	September	October	November	December		Total Year	Jul YTD
2013	10.9	8.6	10.3	5.8	9.5	9.0	8.8	7.9	11.5	7.3	-4.4	3.0		7.1	8.9
2014	6.7	-0.6	-14.9	-3.3	-2.5	-2.8	-4.4	-4.3	-1.7	1.0	-0.6	-3.7		-2.8	-3.7
2015	-11.3	1.7	6.5	-1.6	3.2	8.3	8.9	2.4	9.2	5.6	2.3	0.5		3.5	2.8
2016	-0.2	-5.4	5.3	-2.3	-6.0	-5.2	-4.7	-5.7	-5.1	-10.2	7.6	0.8		-3.0	-2.9
2017	-3.7	-10.9	-16.3	-8.3	-11.9	-15.8	-13.0	-8.3	-4.5	4.6	-0.0	7.6		-6.2	-11.9
2018	5.8	7.0	22.5	16.9	29.2	28.1	23.5								20.5
Avg	1.4	0.1	2.2	1.2	3.6	3.6	3.2	-1.6	1.9	1.7	1.0	1.7		-0.3	2.3

Tab 4 - Percent Change from Previous Year - Detail by Year

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New York, NY Selected Properties

Job Number: 1011741_SADIM

Staff: SS

Created: August 29, 2018

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	Jan 13	Feb 13	Mar 13	Apr 13	May 13	Jun 13	Jul 13	Aug 13	Sep 13	Oct 13	Nov 13	Dec 13	Total Year	Jul YTD
Occ	3.9	4.9	4.0	0.3	3.8	4.7	6.2	6.7	5.7	2.8	0.5	-0.7	3.6	3.9
ADR	6.7	3.5	6.0	5.5	5.5	4.0	2.5	1.1	5.5	4.4	-4.9	3.7	3.4	4.7
RevPAR	10.9	8.6	10.3	5.8	9.5	9.0	8.8	7.9	11.5	7.3	-4.4	3.0	7.1	8.9
Supply	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Demand	3.9	4.9	4.0	0.3	3.8	4.7	6.2	6.7	5.7	2.8	0.5	-0.7	3.6	3.9
Revenue	10.9	8.6	10.3	5.8	9.5	9.0	8.8	7.9	11.5	7.3	-4.4	3.0	7.1	8.9

	Jan 14	Feb 14	Mar 14	Apr 14	May 14	Jun 14	Jul 14	Aug 14	Sep 14	Oct 14	Nov 14	Dec 14	Total Year	Jul YTD
Occ	-2.4	-4.7	-9.2	-5.3	-7.1	-5.1	-5.2	-6.9	-6.2	-1.4	-1.9	-2.4	-4.9	-5.7
ADR	8.8	3.8	-6.0	2.3	5.2	2.7	1.0	3.4	5.8	3.5	2.3	-0.3	2.7	2.2
RevPAR	6.2	-1.1	-14.7	-3.1	-2.3	-2.6	-4.2	-3.7	-0.8	2.0	0.4	-2.7	-2.4	-3.7
Supply	0.5	0.5	-0.2	-0.2	-0.2	-0.2	-0.2	-0.6	-1.0	-1.0	-1.0	-1.0	-0.4	-0.0
Demand	-2.0	-4.2	-9.4	-5.5	-7.3	-5.3	-5.4	-7.4	-7.1	-2.4	-2.9	-3.4	-5.3	-5.7
Revenue	6.7	-0.6	-14.9	-3.3	-2.5	-2.8	-4.4	-4.3	-1.7	1.0	-0.6	-3.7	-2.8	-3.7

	Jan 15	Feb 15	Mar 15	Apr 15	May 15	Jun 15	Jul 15	Aug 15	Sep 15	Oct 15	Nov 15	Dec 15	Total Year	Jul YTD
Occ	-1.3	4.4	4.6	8.2	7.6	8.3	10.7	4.5	8.5	4.0	6.8	6.7	6.2	6.3
ADR	-8.4	-0.8	3.0	-8.3	-3.3	0.8	-1.0	-2.1	0.2	1.1	-4.6	-6.2	-2.1	-2.3
RevPAR	-9.6	3.6	7.7	-0.8	4.0	9.2	9.6	2.3	8.7	5.2	1.9	0.1	4.0	3.9
Supply	-1.8	-1.8	-1.1	-0.8	-0.8	-0.8	-0.7	0.1	0.4	0.4	0.4	0.4	-0.5	-1.1
Demand	-3.1	2.5	3.4	7.3	6.7	7.4	9.9	4.6	8.9	4.5	7.2	7.2	5.7	5.1
Revenue	-11.3	1.7	6.5	-1.6	3.2	8.3	8.9	2.4	9.2	5.6	2.3	0.5	3.5	2.8

	Jan 16	Feb 16	Mar 16	Apr 16	May 16	Jun 16	Jul 16	Aug 16	Sep 16	Oct 16	Nov 16	Dec 16	Total Year	Jul YTD
Occ	7.3	2.9	5.9	-2.7	-4.2	-2.5	-3.6	-4.8	-1.0	-1.7	4.2	-0.3	-0.3	0.1
ADR	-7.7	-8.8	-1.9	-0.6	-2.9	-3.7	-2.0	-1.6	-4.6	-9.2	2.7	0.6	-3.5	-4.0
RevPAR	-0.9	-6.1	3.9	-3.3	-7.0	-6.2	-5.5	-6.3	-5.6	-10.7	7.0	0.3	-3.8	-3.9
Supply	0.8	0.8	1.4	1.0	1.0	1.0	0.9	0.6	0.6	0.6	0.6	0.6	0.8	1.0
Demand	8.1	3.7	7.3	-1.7	-3.3	-1.6	-2.7	-4.2	-0.5	-1.1	4.8	0.3	0.5	1.1
Revenue	-0.2	-5.4	5.3	-2.3	-6.0	-5.2	-4.7	-5.7	-5.1	-10.2	7.6	0.8	-3.0	-2.9

	Jan 17	Feb 17	Mar 17	Apr 17	May 17	Jun 17	Jul 17	Aug 17	Sep 17	Oct 17	Nov 17	Dec 17	Total Year	Jul YTD
Occ	-7.6	-11.2	-13.7	-10.4	-10.7	-14.9	-14.2	-12.8	-9.4	-3.4	-3.5	0.5	-9.1	-11.9
ADR	3.6	-0.3	-2.9	2.4	-1.4	-3.0	-0.6	-3.8	-3.7	-2.1	-5.8	-2.7	-1.4	-0.7
RevPAR	-4.2	-11.5	-16.3	-8.3	-11.9	-17.4	-14.7	-16.1	-12.8	-5.4	-9.1	-2.2	-10.3	-12.5
Supply	0.6	0.6	0.0	0.0	0.0	1.9	1.9	9.3	9.5	10.5	10.0	10.0	4.6	0.7
Demand	-7.1	-10.7	-13.7	-10.4	-10.7	-13.2	-12.5	-4.7	-0.8	6.8	6.2	10.6	-4.9	-11.3
Revenue	-3.7	-10.9	-16.3	-8.3	-11.9	-15.8	-13.0	-8.3	-4.5	4.6	-0.0	7.6	-6.2	-11.9

	Jan 18	Feb 18	Mar 18	Apr 18	May 18	Jun 18	Jul 18	Aug 18	Sep 18	Oct 18	Nov 18	Dec 18	Total Year	Jul YTD
Occ	-0.4	4.3	6.5	6.5	9.5	11.7	10.6							7.1
ADR	-3.5	-6.7	4.5	-0.4	7.1	6.1	3.4							2.7
RevPAR	-3.8	-2.7	11.3	6.1	17.3	18.5	14.3							10.0
Supply	10.0	10.0	10.0	10.2	10.2	8.1	8.1							9.5
Demand	9.6	14.7	17.2	17.3	20.6	20.7	19.5							17.3
Revenue	5.8	7.0	22.5	16.9	29.2	28.1	23.5							20.5

Occupancy (%)												
	January	February	March	April	May	June	July	August	September	October	November	December
2013	84.4	84.7	85.0	85.0	85.3	85.6	86.0	86.5	86.9	87.1	87.2	87.1
2014	87.0	86.7	86.0	85.6	85.0	84.7	84.3	83.7	83.3	83.1	83.0	82.8
2015	82.8	83.1	83.4	83.9	84.5	85.1	85.8	86.2	86.8	87.1	87.5	88.0
2016	88.4	88.6	89.0	88.8	88.5	88.3	88.0	87.6	87.6	87.4	87.7	87.7
2017	87.2	86.5	85.5	84.7	83.9	82.8	81.7	80.7	80.0	79.9	79.7	79.8
2018	79.7	79.9	80.3	80.7	81.3	82.1	82.7					

ADR (\$)												
	January	February	March	April	May	June	July	August	September	October	November	December
2013	259.43	259.74	260.86	262.11	263.54	264.47	264.79	264.83	266.45	267.75	266.62	267.49
2014	268.81	269.53	268.58	269.05	270.19	270.79	271.16	272.14	273.38	274.28	274.79	274.63
2015	273.46	273.22	273.67	271.62	270.89	271.17	270.70	270.13	270.69	271.26	270.27	268.87
2016	267.39	265.92	265.34	265.23	264.42	263.49	263.14	262.91	261.52	258.70	259.40	259.54
2017	260.38	260.84	260.70	261.22	260.66	259.87	260.08	259.43	258.27	257.93	256.50	256.04
2018	255.09	253.51	254.02	254.05	256.34	257.89	258.18					

RevPAR (\$)												
	January	February	March	April	May	June	July	August	September	October	November	December
2013	218.87	219.88	221.60	222.71	224.69	226.38	227.80	229.17	231.66	233.33	232.45	233.08
2014	233.80	233.64	230.93	230.30	229.78	229.25	228.52	227.84	227.60	228.04	228.12	227.51
2015	226.38	226.91	228.16	227.99	228.86	230.69	232.34	232.76	234.86	236.19	236.56	236.58
2016	236.41	235.57	236.19	235.55	233.97	232.64	231.60	230.43	229.01	226.21	227.59	227.66
2017	227.12	225.69	222.81	221.26	218.70	215.13	212.51	209.43	206.74	206.00	204.36	204.23
2018	203.19	202.44	203.94	205.06	208.52	211.65	213.55					

Supply												
	January	February	March	April	May	June	July	August	September	October	November	December
2013	516,475	516,475	516,475	516,475	516,475	516,475	516,475	516,475	516,475	516,475	516,475	516,475
2014	516,692	516,888	516,795	516,705	516,612	516,522	516,429	516,150	515,730	515,296	514,876	514,442
2015	513,636	512,908	512,412	512,082	511,741	511,411	511,101	511,132	511,312	511,498	511,648	511,834
2016	512,175	512,483	513,072	513,926	514,346	514,346	514,749	514,997	515,237	515,485	515,755	516,003
2017	516,251	516,475	516,475	516,475	516,475	517,285	518,122	522,183	526,203	530,822	535,082	539,484
2018	543,886	547,862	552,264	556,584	561,048	564,558	568,185					

Demand												
	January	February	March	April	May	June	July	August	September	October	November	December
2013	435,739	437,222	438,746	438,854	440,346	442,081	444,318	446,938	449,026	450,089	450,278	450,023
2014	449,403	448,071	444,359	442,282	439,339	437,282	435,219	432,131	429,372	428,428	427,417	426,173
2015	425,206	425,973	427,193	429,816	432,349	435,061	438,668	440,418	443,633	445,369	447,824	450,367
2016	452,823	453,984	456,708	456,046	454,739	454,127	453,064	451,374	451,188	450,744	452,520	452,615
2017	450,308	446,861	441,403	437,468	433,338	428,237	423,363	421,538	421,216	423,939	426,311	430,320
2018	433,238	437,491	443,393	449,243	456,386	463,318	469,969					

Revenue (\$)												
	January	February	March	April	May	June	July	August	September	October	November	December
2013	113,043,447	113,562,322	114,452,876	115,026,307	116,047,764	116,917,076	117,652,597	118,361,543	119,644,877	120,510,634	120,054,973	120,378,555
2014	120,804,230	120,766,512	119,343,851	118,997,468	118,707,103	118,412,164	118,013,018	117,599,472	117,381,864	117,510,479	117,450,957	117,040,287
2015	116,275,018	116,385,133	116,911,691	116,748,383	117,119,010	117,976,738	118,748,415	118,969,538	120,088,812	120,810,794	121,035,539	121,091,393
2016	121,082,159	120,723,278	121,182,556	120,955,602	120,243,250	119,658,445	119,217,162	118,672,446	117,994,781	116,609,337	117,382,013	117,471,466
2017	117,250,194	116,560,872	115,075,614	114,274,621	112,954,420	111,286,001	110,106,566	109,361,632	108,786,297	109,347,621	109,347,554	110,177,173
2018	110,514,650	110,909,249	112,630,066	114,130,669	116,989,065	119,485,894	121,337,150					

High value is boxed.

Low value is boxed and italicized.

New York, NY Selected Properties
Job Number: 1011741_SADIM Staff: SS Created: August 29, 2018

Date	Occupancy		ADR		RevPar		Supply		Demand		Revenue	
	This Year	% Chg	This Year	% Chg	This Year	% Chg	This Year	% Chg	This Year	% Chg	This Year	% Chg
Jan 13	84.4		259.43		218.87		516,475		435,739		113,043,447	
Feb 13	84.7		259.74		219.88		516,475		437,222		113,562,322	
Mar 13	85.0		260.86		221.60		516,475		438,746		114,452,876	
Apr 13	85.0		262.11		222.71		516,475		438,854		115,026,307	
May 13	85.3		263.54		224.69		516,475		440,346		116,047,764	
Jun 13	85.6		264.47		226.38		516,475		442,081		116,917,076	
Jul 13	86.0		264.79		227.80		516,475		444,318		117,652,597	
Aug 13	86.5		264.83		229.17		516,475		446,938		118,361,543	
Sep 13	86.9		266.45		231.66		516,475		449,026		119,644,877	
Oct 13	87.1		267.75		233.33		516,475		450,089		120,510,634	
Nov 13	87.2		266.62		232.45		516,475		450,278		120,054,973	
Dec 13	87.1	3.6	267.49	3.4	233.08	7.1	516,475	0.0	450,023	3.6	120,378,555	7.1
Jan 14	87.0	3.1	268.81	3.6	233.80	6.8	516,692	0.0	449,403	3.1	120,804,230	6.9
Feb 14	86.7	2.4	269.53	3.8	233.64	6.3	516,888	0.1	448,071	2.5	120,766,512	6.3
Mar 14	86.0	1.2	268.58	3.0	230.93	4.2	516,795	0.1	444,359	1.3	119,343,851	4.3
Apr 14	85.6	0.7	269.05	2.7	230.30	3.4	516,705	0.0	442,282	0.8	118,997,468	3.5
May 14	85.0	-0.3	270.19	2.5	229.78	2.3	516,612	0.0	439,339	-0.2	118,707,103	2.3
Jun 14	84.7	-1.1	270.79	2.4	229.25	1.3	516,522	0.0	437,282	-1.1	118,412,164	1.3
Jul 14	84.3	-2.0	271.16	2.4	228.52	0.3	516,429	-0.0	435,219	-2.0	118,013,018	0.3
Aug 14	83.7	-3.3	272.14	2.8	227.84	-0.6	516,150	-0.1	432,131	-3.3	117,599,472	-0.6
Sep 14	83.3	-4.2	273.38	2.6	227.60	-1.7	515,730	-0.1	429,372	-4.4	117,381,864	-1.9
Oct 14	83.1	-4.6	274.28	2.4	228.04	-2.3	515,296	-0.2	428,428	-4.8	117,510,479	-2.5
Nov 14	83.0	-4.8	274.79	3.1	228.12	-1.9	514,876	-0.3	427,417	-5.1	117,450,957	-2.2
Dec 14	82.8	-4.9	274.63	2.7	227.51	-2.4	514,442	-0.4	426,173	-5.3	117,040,287	-2.8
Jan 15	82.8	-4.8	273.46	1.7	226.38	-3.2	513,636	-0.6	425,206	-5.4	116,275,018	-3.7
Feb 15	83.1	-4.2	273.22	1.4	226.91	-2.9	512,908	-0.8	425,973	-4.9	116,385,133	-3.6
Mar 15	83.4	-3.0	273.67	1.9	228.16	-1.2	512,412	-0.8	427,193	-3.9	116,911,691	-2.0
Apr 15	83.9	-1.9	271.62	1.0	227.99	-1.0	512,082	-0.9	429,816	-2.8	116,748,383	-1.9
May 15	84.5	-0.7	270.89	0.3	228.86	-0.4	511,741	-0.9	432,349	-1.6	117,119,010	-1.3
Jun 15	85.1	0.5	271.17	0.1	230.69	0.6	511,411	-1.0	435,061	-0.5	117,976,738	-0.4
Jul 15	85.8	1.8	270.70	-0.2	232.34	1.7	511,101	-1.0	438,668	0.8	118,748,415	0.6
Aug 15	86.2	2.9	270.13	-0.7	232.76	2.2	511,132	-1.0	440,418	1.9	118,969,538	1.2
Sep 15	86.8	4.2	270.69	-1.0	234.86	3.2	511,312	-0.9	443,633	3.3	120,088,812	2.3
Oct 15	87.1	4.7	271.26	-1.1	236.19	3.6	511,498	-0.7	445,369	4.0	120,810,794	2.8
Nov 15	87.5	5.4	270.27	-1.6	236.56	3.7	511,648	-0.6	447,824	4.8	121,035,539	3.1
Dec 15	88.0	6.2	268.87	-2.1	236.58	4.0	511,834	-0.5	450,367	5.7	121,091,393	3.5
Jan 16	88.4	6.8	267.39	-2.2	236.41	4.4	512,175	-0.3	452,823	6.5	121,082,159	4.1
Feb 16	88.6	6.7	265.92	-2.7	235.57	3.8	512,483	-0.1	453,984	6.6	120,723,278	3.7
Mar 16	89.0	6.8	265.34	-3.0	236.19	3.5	513,072	0.1	456,708	6.9	121,182,556	3.7
Apr 16	88.8	5.8	265.23	-2.4	235.55	3.3	513,492	0.3	456,046	6.1	120,955,602	3.6
May 16	88.5	4.7	264.42	-2.4	233.97	2.2	513,926	0.4	454,739	5.2	120,243,250	2.7
Jun 16	88.3	3.8	263.49	-2.8	232.64	0.8	514,346	0.6	454,127	4.4	119,658,445	1.4
Jul 16	88.0	2.5	263.14	-2.8	231.60	-0.3	514,749	0.7	453,064	3.3	119,217,162	0.4
Aug 16	87.6	1.7	262.91	-2.7	230.43	-1.0	514,997	0.8	451,374	2.5	118,672,446	-0.2
Sep 16	87.6	0.9	261.52	-3.4	229.01	-2.5	515,237	0.8	451,188	1.7	117,994,781	-1.7

New York, NY Selected Properties
Job Number: 1011741_SADIM Staff: SS Created: August 29, 2018

Date	Occupancy		ADR		RevPar		Supply		Demand		Revenue	
	This Year	% Chg	This Year	% Chg	This Year	% Chg	This Year	% Chg	This Year	% Chg	This Year	% Chg
Oct 16	87.4	0.4	258.70	-4.6	226.21	-4.2	515,485	0.8	450,744	1.2	116,609,337	-3.5
Nov 16	87.7	0.2	259.40	-4.0	227.59	-3.8	515,755	0.8	452,520	1.0	117,382,013	-3.0
Dec 16	87.7	-0.3	259.54	-3.5	227.66	-3.8	516,003	0.8	452,615	0.5	117,471,466	-3.0
Jan 17	87.2	-1.3	260.38	-2.6	227.12	-3.9	516,251	0.8	450,308	-0.6	117,250,194	-3.2
Feb 17	86.5	-2.3	260.84	-1.9	225.69	-4.2	516,475	0.8	446,861	-1.6	116,560,872	-3.4
Mar 17	85.5	-4.0	260.70	-1.7	222.81	-5.7	516,475	0.7	441,403	-3.4	115,075,614	-5.0
Apr 17	84.7	-4.6	261.22	-1.5	221.26	-6.1	516,475	0.6	437,468	-4.1	114,274,621	-5.5
May 17	83.9	-5.2	260.66	-1.4	218.70	-6.5	516,475	0.5	433,338	-4.7	112,954,420	-6.1
Jun 17	82.8	-6.2	259.87	-1.4	215.13	-7.5	517,285	0.6	428,237	-5.7	111,286,001	-7.0
Jul 17	81.7	-7.2	260.08	-1.2	212.51	-8.2	518,122	0.7	423,363	-6.6	110,106,566	-7.6
Aug 17	80.7	-7.9	259.43	-1.3	209.43	-9.1	522,183	1.4	421,538	-6.6	109,361,632	-7.8
Sep 17	80.0	-8.6	258.27	-1.2	206.74	-9.7	526,203	2.1	421,216	-6.6	108,786,291	-7.8
Oct 17	79.9	-8.7	257.93	-0.3	206.00	-8.9	530,822	3.0	423,939	-5.9	109,347,621	-6.2
Nov 17	79.7	-9.2	256.50	-1.1	204.36	-10.2	535,082	3.7	426,311	-5.8	109,347,554	-6.8
Dec 17	79.8	-9.1	256.04	-1.4	204.23	-10.3	539,484	4.6	430,320	-4.9	110,177,173	-6.2
Jan 18	79.7	-8.7	255.09	-2.0	203.19	-10.5	543,886	5.4	433,238	-3.8	110,514,650	-5.7
Feb 18	79.9	-7.7	253.51	-2.8	202.44	-10.3	547,862	6.1	437,491	-2.1	110,909,249	-4.8
Mar 18	80.3	-6.1	254.02	-2.6	203.94	-8.5	552,264	6.9	443,393	0.5	112,630,066	-2.1
Apr 18	80.7	-4.7	254.05	-2.7	205.06	-7.3	556,584	7.8	449,243	2.7	114,130,669	-0.1
May 18	81.3	-3.0	256.34	-1.7	208.52	-4.7	561,048	8.6	456,386	5.3	116,989,065	3.6
Jun 18	82.1	-0.9	257.89	-0.8	211.65	-1.6	564,558	9.1	463,318	8.2	119,485,894	7.4
Jul 18	82.7	1.2	258.18	-0.7	213.55	0.5	568,185	9.7	469,969	11.0	121,337,150	10.2

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Occupancy (%)								Total Month
	Sun	Mon	Tue	Wed	Thu	Fri	Sat	
Aug - 17	71.3	75.9	79.1	78.3	74.3	74.6	80.6	76.4
Sep - 17	80.1	81.6	87.0	86.7	83.1	79.6	86.0	83.4
Oct - 17	75.3	85.1	88.8	94.0	91.8	91.8	93.3	88.0
Nov - 17	72.7	81.8	88.2	91.9	92.6	91.5	90.4	87.4
Dec - 17	78.6	83.2	88.0	89.2	88.8	89.5	92.0	87.0
Jan - 18	61.9	67.8	71.6	72.7	69.6	65.8	71.8	68.9
Feb - 18	67.4	74.0	81.9	80.4	74.0	73.5	80.4	75.9
Mar - 18	70.5	86.6	90.6	93.4	81.6	80.5	81.9	83.4
Apr - 18	74.1	84.9	89.3	91.1	87.1	82.9	86.2	84.7
May - 18	74.8	83.6	92.8	92.3	88.3	81.6	88.3	86.4
Jun - 18	71.5	88.1	94.9	94.7	89.6	81.7	85.3	86.3
Jul - 18	76.2	86.5	88.2	87.3	82.8	83.0	85.9	84.2
Total Year	73.1	81.6	86.5	87.4	83.7	81.5	85.3	82.7

Three Year Occupancy (%)								Total Year
	Sun	Mon	Tue	Wed	Thu	Fri	Sat	
Aug 15 - Jul 16	78.0	87.1	91.6	92.5	89.5	86.5	91.1	88.0
Aug 16 - Jul 17	71.7	80.5	85.5	86.5	83.1	80.5	84.1	81.7
Aug 17 - Jul 18	73.1	81.6	86.5	87.4	83.7	81.5	85.3	82.7
Total 3 Yr	74.2	83.0	87.8	88.7	85.4	82.8	86.8	84.1

ADR								Total Month
	Sun	Mon	Tue	Wed	Thu	Fri	Sat	
Aug - 17	188.42	227.34	254.09	249.34	213.79	203.69	215.27	224.01
Sep - 17	260.36	345.70	370.92	375.00	310.74	259.90	275.58	312.01
Oct - 17	235.67	286.50	325.17	354.15	314.48	277.25	298.36	299.23
Nov - 17	206.93	251.92	281.51	303.16	280.44	250.81	264.38	266.50
Dec - 17	251.39	262.09	296.62	301.08	278.02	273.18	294.20	279.61
Jan - 18	172.74	189.93	198.09	193.98	176.63	170.15	181.00	184.63
Feb - 18	157.40	178.23	204.02	199.61	171.73	165.86	185.15	181.23
Mar - 18	182.04	239.25	274.10	275.31	222.49	208.94	221.64	232.96
Apr - 18	195.41	261.97	295.36	301.36	273.72	244.30	263.79	262.16
May - 18	225.58	304.55	347.33	349.44	298.06	265.95	286.39	302.70
Jun - 18	218.03	296.37	346.37	345.85	272.37	235.02	251.65	281.92
Jul - 18	189.22	251.02	284.50	279.79	226.21	206.67	220.25	238.67
Total Year	209.31	259.28	292.10	296.05	256.77	233.80	249.84	258.18

Three Year ADR								Total Year
	Sun	Mon	Tue	Wed	Thu	Fri	Sat	
Aug 15 - Jul 16	215.12	271.69	298.80	300.55	269.44	233.16	245.62	263.14
Aug 16 - Jul 17	208.93	265.36	294.96	297.99	261.87	233.15	248.08	260.08
Aug 17 - Jul 18	209.31	259.28	292.10	296.05	256.77	233.80	249.84	258.18
Total 3 Yr	211.17	265.37	295.22	298.17	262.64	233.38	247.85	260.44

RevPAR								Total Month
	Sun	Mon	Tue	Wed	Thu	Fri	Sat	
Aug - 17	134.30	172.52	201.04	195.17	158.75	151.96	173.48	171.09
Sep - 17	208.56	281.97	322.84	325.31	258.23	206.86	237.03	260.24
Oct - 17	177.49	243.87	288.79	332.77	288.79	254.46	278.24	263.47
Nov - 17	150.50	206.16	248.40	278.73	259.75	229.39	239.07	232.88
Dec - 17	197.71	217.95	261.11	268.46	246.97	244.62	270.77	243.34
Jan - 18	106.97	128.68	141.93	141.06	122.86	112.02	129.94	127.27
Feb - 18	106.03	131.93	167.17	160.50	127.00	121.98	148.88	137.64
Mar - 18	128.29	207.14	248.34	257.24	181.50	168.19	181.48	194.19
Apr - 18	144.73	222.29	263.65	274.49	238.39	202.47	227.51	222.04
May - 18	168.70	254.70	322.15	322.41	263.33	216.89	252.86	261.68
Jun - 18	155.85	261.13	328.78	327.40	244.17	191.97	214.72	243.42
Jul - 18	144.09	217.16	250.91	244.35	187.29	171.62	189.18	200.99
Total Year	153.01	211.44	252.59	258.69	214.89	190.45	213.05	213.55

Three Year RevPAR								Total Year
	Sun	Mon	Tue	Wed	Thu	Fri	Sat	
Aug 15 - Jul 16	167.80	236.51	273.73	278.02	241.05	201.61	223.87	231.60
Aug 16 - Jul 17	149.81	213.72	252.24	257.79	217.74	187.76	208.52	212.51
Aug 17 - Jul 18	153.01	211.44	252.59	258.69	214.89	190.45	213.05	213.55
Total 3 Yr	156.79	220.18	259.22	264.60	224.21	193.16	215.11	219.02

New York, NY Selected Properties
Job Number: 1011741_SADIM Staff: SS Created: August 29, 2018

Date	Occupancy		ADR		RevPar		Supply		Demand		Revenue		Census & Sample %		
	This Year	% Chg	This Year	% Chg	This Year	% Chg	This Year	% Chg	This Year	% Chg	This Year	% Chg	Census Props	Census Rooms	% Rooms STAR Participants
Jan 12	69.8		187.89		131.06		43,865		30,597		5,748,980		6	1,415	90.5
Feb 12	76.3		200.59		153.03		39,620		30,225		6,062,908		6	1,415	90.5
Mar 12	86.7		228.31		197.96		43,865		38,035		8,683,691		6	1,415	90.5
Apr 12	88.8		261.19		232.00		42,450		37,705		9,848,325		6	1,415	90.5
May 12	88.9		274.91		244.37		43,865		38,991		10,719,084		6	1,415	90.5
Jun 12	86.6		264.02		228.72		42,450		36,774		9,709,242		6	1,415	90.5
Jul 12	82.5		231.33		190.92		43,865		36,203		8,374,910		6	1,415	90.5
Aug 12	88.5		231.04		204.56		43,865		38,838		8,972,943		6	1,415	90.5
Sep 12	86.5		303.93		262.93		42,450		36,724		11,161,414		6	1,415	90.5
Oct 12	87.9		308.18		270.88		43,865		38,556		11,882,076		6	1,415	90.5
Nov 12	82.5		296.71		244.90		42,450		35,037		10,395,801		6	1,415	90.5
Dec 12	84.0		294.57		247.52		43,865		36,858		10,857,328		6	1,415	90.5
Jan 13	72.5	3.9	200.54	6.7	145.35	10.9	43,865	0.0	31,793	3.9	6,375,725	10.9	6	1,415	90.5
Feb 13	80.0	4.9	207.57	3.5	166.12	8.6	39,620	0.0	31,708	4.9	6,581,783	8.6	6	1,415	90.5
Mar 13	90.2	4.0	242.02	6.0	218.27	10.3	43,865	0.0	39,559	4.0	9,574,245	10.3	6	1,415	90.5
Apr 13	89.1	0.3	275.61	5.5	245.51	5.8	42,450	0.0	37,813	0.3	10,421,756	5.8	6	1,415	90.5
May 13	92.3	3.8	290.01	5.5	267.65	9.5	43,865	0.0	40,483	3.8	11,740,541	9.5	6	1,415	90.5
Jun 13	90.7	4.7	274.70	4.0	249.20	9.0	42,450	0.0	38,509	4.7	10,578,554	9.0	6	1,415	90.5
Jul 13	87.6	6.2	237.00	2.5	207.69	8.8	43,865	0.0	38,440	6.2	9,110,431	8.8	6	1,415	90.5
Aug 13	94.5	6.7	233.53	1.1	220.72	7.9	43,865	0.0	41,458	6.7	9,681,889	7.9	6	1,415	90.5
Sep 13	91.4	5.7	320.64	5.5	293.16	11.5	42,450	0.0	38,812	5.7	12,444,748	11.5	6	1,415	90.5
Oct 13	90.3	2.8	321.76	4.4	290.62	7.3	43,865	0.0	39,619	2.8	12,747,833	7.3	6	1,415	100.0
Nov 13	83.0	0.5	282.18	-4.9	234.16	-4.4	42,450	0.0	35,226	0.5	9,940,140	-4.4	6	1,415	100.0
Dec 13	83.4	-0.7	305.46	3.7	254.89	3.0	43,865	0.0	36,603	-0.7	11,180,910	3.0	6	1,415	100.0
Jan 14	70.7	-2.4	218.18	8.8	154.29	6.2	44,082	0.5	31,173	-2.0	6,801,400	6.7	6	1,422	100.0
Feb 14	76.3	-4.7	215.44	3.8	164.36	-1.1	39,816	0.5	30,376	-4.2	6,544,065	-0.6	6	1,422	100.0
Mar 14	81.9	-9.2	227.40	-6.0	186.23	-14.7	43,772	-0.2	35,847	-9.4	8,151,584	-14.9	6	1,412	100.0
Apr 14	84.4	-5.3	281.94	2.3	237.85	-3.1	42,360	-0.2	35,736	-5.5	10,075,373	-3.3	6	1,412	100.0
May 14	85.8	-7.1	305.01	5.2	261.59	-2.3	43,772	-0.2	37,540	-7.3	11,450,176	-2.5	6	1,412	100.0
Jun 14	86.1	-5.1	282.11	2.7	242.77	-2.6	42,360	-0.2	36,452	-5.3	10,283,615	-2.8	6	1,412	100.0
Jul 14	83.1	-5.2	239.47	1.0	199.02	-4.2	43,772	-0.2	36,377	-5.4	8,711,285	-4.4	6	1,412	100.0
Aug 14	88.0	-6.9	241.55	3.4	212.64	-3.7	43,586	-0.6	38,370	-7.4	9,268,343	-4.3	6	1,406	100.0
Sep 14	85.8	-6.2	339.14	5.8	290.91	-0.8	42,030	-1.0	36,053	-7.1	12,227,140	-1.7	6	1,401	100.0
Oct 14	89.0	-1.4	332.94	3.5	296.48	2.0	43,431	-1.0	38,675	-2.4	12,876,448	1.0	6	1,401	100.0
Nov 14	81.4	-1.9	288.78	2.3	235.08	0.4	42,030	-1.0	34,215	-2.9	9,880,618	-0.6	6	1,401	100.0
Dec 14	81.4	-2.4	304.60	-0.3	247.99	-2.7	43,431	-1.0	35,359	-3.4	10,770,240	-3.7	6	1,401	100.0
Jan 15	69.8	-1.3	199.83	-8.4	139.48	-9.6	43,276	-1.8	30,206	-3.1	6,036,131	-11.3	6	1,396	100.0
Feb 15	79.7	4.4	213.67	-0.8	170.24	3.6	39,088	-1.8	31,143	2.5	6,654,180	1.7	6	1,396	100.0
Mar 15	85.7	4.6	234.12	3.0	200.53	7.7	43,276	-1.1	37,067	3.4	8,678,142	6.5	6	1,396	100.0
Apr 15	91.3	8.2	258.40	-8.3	235.83	-0.8	42,030	-0.8	38,359	7.3	9,912,065	-1.6	6	1,401	100.0
May 15	92.3	7.6	294.98	-3.3	272.17	4.0	43,431	-0.8	40,073	6.7	11,820,803	3.2	6	1,401	100.0
Jun 15	93.2	8.3	284.48	0.8	265.08	9.2	42,030	-0.8	39,164	7.4	11,141,343	8.3	6	1,401	100.0
Jul 15	92.0	10.7	237.17	-1.0	218.19	9.6	43,462	-0.7	39,984	9.9	9,482,962	8.9	6	1,402	100.0
Aug 15	92.0	4.5	236.53	-2.1	217.56	2.3	43,617	0.1	40,120	4.6	9,489,466	2.4	6	1,407	100.0
Sep 15	93.0	8.5	339.88	0.2	316.19	8.7	42,210	0.4	39,268	8.9	13,346,414	9.2	6	1,407	100.0
Oct 15	92.6	4.0	336.50	1.1	311.77	5.2	43,617	0.4	40,411	4.5	13,598,430	5.6	6	1,407	100.0
Nov 15	86.9	6.8	275.58	-4.6	239.58	1.9	42,180	0.4	36,670	7.2	10,105,363	2.3	6	1,406	100.0
Dec 15	86.9	6.7	285.63	-6.2	248.21	0.1	43,617	0.4	37,902	7.2	10,826,094	0.5	6	1,407	100.0
Jan 16	74.9	7.3	184.52	-7.7	138.18	-0.9	43,617	0.8	32,662	8.1	6,026,897	-0.2	6	1,407	100.0

Tab 8 - Raw Data

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New York, NY Selected Properties

Job Number: 1011741_SADIM Staff: SS Created: August 29, 2018

Date	Occupancy		ADR		RevPar		Supply		Demand		Revenue		Census & Sample %		
	This Year	% Chg	This Year	% Chg	This Year	% Chg	This Year	% Chg	This Year	% Chg	This Year	% Chg	Census Props	Census Rooms	% Rooms STAR Participants
Feb 16	82.0	2.9	194.88	-8.8	159.80	-6.1	39,396	0.8	32,304	3.7	6,295,299	-5.4	6	1,407	100.0
Mar 16	90.7	5.9	229.64	-1.9	208.31	3.9	43,865	1.4	39,791	7.3	9,137,420	5.3	6	1,415	100.0
Apr 16	88.8	-2.7	256.92	-0.6	228.15	-3.3	42,450	1.0	37,697	-1.7	9,685,111	-2.3	6	1,415	100.0
May 16	88.4	-4.2	286.55	-2.9	253.24	-7.0	43,865	1.0	38,766	-3.3	11,108,451	-6.0	6	1,415	100.0
Jun 16	90.8	-2.5	273.83	-3.7	248.68	-6.2	42,450	1.0	38,552	-1.6	10,556,538	-5.2	6	1,415	100.0
Jul 16	88.7	-3.6	232.31	-2.0	206.13	-5.5	43,865	0.9	38,921	-2.7	9,041,679	-4.7	6	1,415	100.0
Aug 16	87.6	-4.8	232.75	-1.6	203.92	-6.3	43,865	0.6	38,430	-4.2	8,944,750	-5.7	6	1,415	100.0
Sep 16	92.1	-1.0	324.16	-4.6	298.44	-5.6	42,450	0.6	39,082	-0.5	12,668,749	-5.1	6	1,415	100.0
Oct 16	91.1	-1.7	305.58	-9.2	278.42	-10.7	43,865	0.6	39,967	-1.1	12,212,986	-10.2	6	1,415	100.0
Nov 16	90.6	4.2	282.94	2.7	256.26	7.0	42,450	0.6	38,446	4.8	10,878,039	7.6	6	1,415	100.0
Dec 16	86.6	-0.3	287.27	0.6	248.84	0.3	43,865	0.6	37,997	0.3	10,915,547	0.8	6	1,415	100.0
Jan 17	69.2	-7.6	191.26	3.6	132.35	-4.2	43,865	0.6	30,355	-7.1	5,805,625	-3.7	6	1,415	100.0
Feb 17	72.8	-11.2	194.27	-0.3	141.49	-11.5	39,620	0.6	28,857	-10.7	5,605,977	-10.9	6	1,415	100.0
Mar 17	78.3	-13.7	222.88	-2.9	174.45	-16.3	43,865	0.0	34,333	-13.7	7,652,162	-16.3	6	1,415	100.0
Apr 17	79.5	-10.4	263.14	2.4	209.28	-8.3	42,450	0.0	33,762	-10.4	8,884,118	-8.3	6	1,415	100.0
May 17	79.0	-10.7	282.60	-1.4	223.14	-11.9	43,865	0.0	34,636	-10.7	9,788,250	-11.9	6	1,415	100.0
Jun 17	77.3	-14.9	265.71	-3.0	205.46	-17.4	43,260	1.9	33,451	-13.2	8,888,119	-15.8	6	1,442	100.0
Jul 17	76.2	-14.2	230.92	-0.6	175.88	-14.7	44,702	1.9	34,047	-12.5	7,862,244	-13.0	6	1,442	100.0
Aug 17	76.4	-12.8	224.01	-3.8	171.09	-16.1	47,926	9.3	36,605	-4.7	8,199,816	-8.3	7	1,546	93.3
Sep 17	83.4	-9.4	312.01	-3.7	260.24	-12.8	46,470	9.5	38,760	-0.8	12,093,408	-4.5	7	1,549	100.0
Oct 17	88.0	-3.4	299.23	-2.1	263.47	-5.4	48,484	10.5	42,690	6.8	12,774,316	4.6	7	1,564	100.0
Nov 17	87.4	-3.5	266.50	-5.8	232.88	-9.1	46,710	10.0	40,818	6.2	10,877,972	-0.0	7	1,557	100.0
Dec 17	87.0	0.5	279.61	-2.7	243.34	-2.2	48,267	10.0	42,006	10.6	11,745,166	7.6	7	1,557	100.0
Jan 18	68.9	-0.4	184.63	-3.5	127.27	-3.8	48,267	10.0	33,273	9.6	6,143,102	5.8	7	1,557	100.0
Feb 18	75.9	4.3	181.23	-6.7	137.64	-2.7	43,596	10.0	33,110	14.7	6,000,576	7.0	7	1,557	100.0
Mar 18	83.4	6.5	232.96	4.5	194.19	11.3	48,267	10.0	40,235	17.2	9,372,979	22.5	7	1,557	100.0
Apr 18	84.7	6.5	262.16	-0.4	222.04	6.1	46,770	10.2	39,612	17.3	10,384,721	16.9	7	1,559	100.0
May 18	86.4	9.5	302.70	7.1	261.68	17.3	48,329	10.2	41,779	20.6	12,646,646	29.2	7	1,559	100.0
Jun 18	86.3	11.7	281.92	6.1	243.42	18.5	46,770	8.1	40,383	20.7	11,384,948	28.1	7	1,559	100.0
Jul 18	84.2	10.6	238.67	3.4	200.99	14.3	48,329	8.1	40,698	19.5	9,713,500	23.5	7	1,559	100.0

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New York, NY Selected Properties
Job Number: 1011741_SADIM Staff: SS Created: August 29, 2018

Date	Occupancy		ADR		RevPar		Supply		Demand		Revenue		Census & Sample %		
	This Year	% Chg	This Year	% Chg	This Year	% Chg	This Year	% Chg	This Year	% Chg	This Year	% Chg	Census Props	Census Rooms	% Rooms STAR Participants
Jan 12	69.8		187.89		131.06		43,865		30,597		5,748,980		6	1,415	90.5
Feb 12	76.3		200.59		153.03		39,620		30,225		6,062,908		6	1,415	90.5
Mar 12	86.7		228.31		197.96		43,865		38,035		8,683,691		6	1,415	90.5
Apr 12	88.8		261.19		232.00		42,450		37,705		9,848,325		6	1,415	90.5
May 12	88.9		274.91		244.37		43,865		38,991		10,719,084		6	1,415	90.5
Jun 12	86.6		264.02		228.72		42,450		36,774		9,709,242		6	1,415	90.5
Jul 12	82.5		231.33		190.92		43,865		36,203		8,374,910		6	1,415	90.5
Aug 12	88.5		231.04		204.56		43,865		38,838		8,972,943		6	1,415	90.5
Sep 12	86.5		303.93		262.93		42,450		36,724		11,161,414		6	1,415	90.5
Oct 12	87.9		308.18		270.88		43,865		38,556		11,882,076		6	1,415	90.5
Nov 12	82.5		296.71		244.90		42,450		35,037		10,395,801		6	1,415	90.5
Dec 12	84.0		294.57		247.52		43,865		36,858		10,857,328		6	1,415	90.5
Jul YTD 2012	82.8		237.99		197.17		299,980		248,530		59,147,140				
Total 2012	84.1		258.70		217.66		516,475		434,543		112,416,702				
Jan 13	72.5	3.9	200.54	6.7	145.35	10.9	43,865	0.0	31,793	3.9	6,375,725	10.9	6	1,415	90.5
Feb 13	80.0	4.9	207.57	3.5	166.12	8.6	39,620	0.0	31,708	4.9	6,581,783	8.6	6	1,415	90.5
Mar 13	90.2	4.0	242.02	6.0	218.27	10.3	43,865	0.0	39,559	4.0	9,574,245	10.3	6	1,415	90.5
Apr 13	89.1	0.3	275.61	5.5	245.51	5.8	42,450	0.0	37,813	0.3	10,421,756	5.8	6	1,415	90.5
May 13	92.3	3.8	290.01	5.5	267.65	9.5	43,865	0.0	40,483	3.8	11,740,541	9.5	6	1,415	90.5
Jun 13	90.7	4.7	274.70	4.0	249.20	9.0	42,450	0.0	38,509	4.7	10,578,554	9.0	6	1,415	90.5
Jul 13	87.6	6.2	237.00	2.5	207.69	8.8	43,865	0.0	38,440	6.2	9,110,431	8.8	6	1,415	90.5
Aug 13	94.5	6.7	233.53	1.1	220.72	7.9	43,865	0.0	41,458	6.7	9,681,889	7.9	6	1,415	90.5
Sep 13	91.4	5.7	320.64	5.5	293.16	11.5	42,450	0.0	38,812	5.7	12,444,748	11.5	6	1,415	90.5
Oct 13	90.3	2.8	321.76	4.4	290.62	7.3	43,865	0.0	39,619	2.8	12,747,833	7.3	6	1,415	100.0
Nov 13	83.0	0.5	282.18	-4.9	234.16	-4.4	42,450	0.0	35,226	0.5	9,940,140	-4.4	6	1,415	100.0
Dec 13	83.4	-0.7	305.46	3.7	254.89	3.0	43,865	0.0	36,603	-0.7	11,180,910	3.0	6	1,415	100.0
Jul YTD 2013	86.1	3.9	249.25	4.7	214.62	8.9	299,980	0.0	258,305	3.9	64,383,035	8.9			
Total 2013	87.1	3.6	267.49	3.4	233.08	7.1	516,475	0.0	450,023	3.6	120,378,555	7.1			
Jan 14	70.7	-2.4	218.18	8.8	154.29	6.2	44,082	0.5	31,173	-2.0	6,801,400	6.7	6	1,422	100.0
Feb 14	76.3	-4.7	215.44	3.8	164.36	-1.1	39,816	0.5	30,376	-4.2	6,544,065	-0.6	6	1,422	100.0
Mar 14	81.9	-9.2	227.40	-6.0	186.23	-14.7	43,772	-0.2	35,847	-9.4	8,151,584	-14.9	6	1,412	100.0
Apr 14	84.4	-5.3	281.94	2.3	237.85	-3.1	42,360	-0.2	35,736	-5.5	10,075,373	-3.3	6	1,412	100.0
May 14	85.8	-7.1	305.01	5.2	261.59	-2.3	43,772	-0.2	37,540	-7.3	11,450,176	-2.5	6	1,412	100.0
Jun 14	86.1	-5.1	282.11	2.7	242.77	-2.6	42,360	-0.2	36,452	-5.3	10,283,615	-2.8	6	1,412	100.0
Jul 14	83.1	-5.2	239.47	1.0	199.02	-4.2	43,772	-0.2	36,377	-5.4	8,711,285	-4.4	6	1,412	100.0
Aug 14	88.0	-6.9	241.55	3.4	212.64	-3.7	43,586	-0.6	38,370	-7.4	9,268,343	-4.3	6	1,406	100.0
Sep 14	85.8	-6.2	339.14	5.8	290.91	-0.8	42,030	-1.0	36,053	-7.1	12,227,140	-1.7	6	1,401	100.0
Oct 14	89.0	-1.4	332.94	3.5	296.48	2.0	43,431	-1.0	38,675	-2.4	12,876,448	1.0	6	1,401	100.0
Nov 14	81.4	-1.9	288.78	2.3	235.08	0.4	42,030	-1.0	34,215	-2.9	9,880,618	-0.6	6	1,401	100.0
Dec 14	81.4	-2.4	304.60	-0.3	247.99	-2.7	43,431	-1.0	35,359	-3.4	10,770,240	-3.7	6	1,401	100.0
Jul YTD 2014	81.2	-5.7	254.69	2.2	206.77	-3.7	299,934	-0.0	243,501	-5.7	62,017,498	-3.7			
Total 2014	82.8	-4.9	274.63	2.7	227.51	-2.4	514,442	-0.4	426,173	-5.3	117,040,287	-2.8			
Jan 15	69.8	-1.3	199.83	-8.4	139.48	-9.6	43,276	-1.8	30,206	-3.1	6,036,131	-11.3	6	1,396	100.0
Feb 15	79.7	4.4	213.67	-0.8	170.24	3.6	39,088	-1.8	31,143	2.5	6,654,180	1.7	6	1,396	100.0
Mar 15	85.7	4.6	234.12	3.0	200.53	7.7	43,276	-1.1	37,067	3.4	8,678,142	6.5	6	1,396	100.0
Apr 15	91.3	8.2	258.40	-8.3	235.83	-0.8	42,030	-0.8	38,359	7.3	9,912,065	-1.6	6	1,401	100.0
May 15	92.3	7.6	294.98	-3.3	272.17	4.0	43,431	-0.8	40,073	6.7	11,820,803	3.2	6	1,401	100.0
Jun 15	93.2	8.3	284.48	0.8	265.08	9.2	42,030	-0.8	39,164	7.4	11,141,343	8.3	6	1,401	100.0
Jul 15	92.0	10.7	237.17	-1.0	218.19	9.6	43,462	-0.7	39,984	9.9	9,482,962	8.9	6	1,402	100.0
Aug 15	92.0	4.5	236.53	-2.1	217.56	2.3	43,617	0.1	40,120	4.6	9,489,466	2.4	6	1,407	100.0
Sep 15	93.0	8.5	339.88	0.2	316.19	8.7	42,210	0.4	39,268	8.9	13,346,414	9.2	6	1,407	100.0
Oct 15	92.6	4.0	336.50	1.1	311.77	5.2	43,617	0.4	40,411	4.5	13,598,430	5.6	6	1,407	100.0
Nov 15	86.9	6.8	275.58	-4.6	239.58	1.9	42,180	0.4	36,670	7.2	10,105,363	2.3	6	1,406	100.0

Tab 9 - Classic

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New York, NY Selected Properties

Job Number: 1011741_SADIM Staff: SS Created: August 29, 2018

Date	Occupancy		ADR		RevPar		Supply		Demand		Revenue		Census & Sample %		
	This Year	% Chg	This Year	% Chg	This Year	% Chg	This Year	% Chg	This Year	% Chg	This Year	% Chg	Census Props	Census Rooms	% Rooms STAR Participants
Dec 15	86.9	6.7	285.63	-6.2	248.21	0.1	43,617	0.4	37,902	7.2	10,826,094	0.5	6	1,407	100.0
Jul YTD 2015	86.3	6.3	248.93	-2.3	214.86	3.9	296,593	-1.1	255,996	5.1	63,725,626	2.8			
Total 2015	88.0	6.2	268.87	-2.1	236.58	4.0	511,834	-0.5	450,367	5.7	121,091,393	3.5			
Jan 16	74.9	7.3	184.52	-7.7	138.18	-0.9	43,617	0.8	32,662	8.1	6,026,897	-0.2	6	1,407	100.0
Feb 16	82.0	2.9	194.88	-8.8	159.80	-6.1	39,396	0.8	32,304	3.7	6,295,299	-5.4	6	1,407	100.0
Mar 16	90.7	5.9	229.64	-1.9	208.31	3.9	43,865	1.4	39,791	7.3	9,137,420	5.3	6	1,415	100.0
Apr 16	88.8	-2.7	256.92	-0.6	228.15	-3.3	42,450	1.0	37,697	-1.7	9,685,111	-2.3	6	1,415	100.0
May 16	88.4	-4.2	286.55	-2.9	253.24	-7.0	43,865	1.0	38,766	-3.3	11,108,451	-6.0	6	1,415	100.0
Jun 16	90.8	-2.5	273.83	-3.7	248.68	-6.2	42,450	1.0	38,552	-1.6	10,556,538	-5.2	6	1,415	100.0
Jul 16	88.7	-3.6	232.31	-2.0	206.13	-5.5	43,865	0.9	38,921	-2.7	9,041,679	-4.7	6	1,415	100.0
Aug 16	87.6	-4.8	232.75	-1.6	203.92	-6.3	43,865	0.6	38,430	-4.2	8,944,750	-5.7	6	1,415	100.0
Sep 16	92.1	-1.0	324.16	-4.6	298.44	-5.6	42,450	0.6	39,082	-0.5	12,668,749	-5.1	6	1,415	100.0
Oct 16	91.1	-1.7	305.58	-9.2	278.42	-10.7	43,865	0.6	39,967	-1.1	12,212,986	-10.2	6	1,415	100.0
Nov 16	90.6	4.2	282.94	2.7	256.26	7.0	42,450	0.6	38,446	4.8	10,878,039	7.6	6	1,415	100.0
Dec 16	86.6	-0.3	287.27	0.6	248.84	0.3	43,865	0.6	37,997	0.3	10,915,547	0.8	6	1,415	100.0
Jul YTD 2016	86.4	0.1	239.09	-4.0	206.51	-3.9	299,508	1.0	258,693	1.1	61,851,395	-2.9			
Total 2016	87.7	-0.3	259.54	-3.5	227.66	-3.8	516,003	0.8	452,615	0.5	117,471,466	-3.0			
Jan 17	69.2	-7.6	191.26	3.6	132.35	-4.2	43,865	0.6	30,355	-7.1	5,805,625	-3.7	6	1,415	100.0
Feb 17	72.8	-11.2	194.27	-0.3	141.49	-11.5	39,620	0.6	28,857	-10.7	5,605,977	-10.9	6	1,415	100.0
Mar 17	78.3	-13.7	222.88	-2.9	174.45	-16.3	43,865	0.0	34,333	-13.7	7,652,162	-16.3	6	1,415	100.0
Apr 17	79.5	-10.4	263.14	2.4	209.28	-8.3	42,450	0.0	33,762	-10.4	8,884,118	-8.3	6	1,415	100.0
May 17	79.0	-10.7	282.60	-1.4	223.14	-11.9	43,865	0.0	34,636	-10.7	9,788,250	-11.9	6	1,415	100.0
Jun 17	77.3	-14.9	265.71	-3.0	205.46	-17.4	43,260	1.9	33,451	-13.2	8,888,119	-15.8	6	1,442	100.0
Jul 17	76.2	-14.2	230.92	-0.6	175.88	-14.7	44,702	1.9	34,047	-12.5	7,862,244	-13.0	6	1,442	100.0
Aug 17	76.4	-12.8	224.01	-3.8	171.09	-16.1	47,926	9.3	36,605	-4.7	8,199,816	-8.3	7	1,546	93.3
Sep 17	83.4	-9.4	312.01	-3.7	260.24	-12.8	46,470	9.5	38,760	-0.8	12,093,408	-4.5	7	1,549	100.0
Oct 17	88.0	-3.4	299.23	-2.1	263.47	-5.4	48,484	10.5	42,690	6.8	12,774,316	4.6	7	1,564	100.0
Nov 17	87.4	-3.5	266.50	-5.8	232.88	-9.1	46,710	10.0	40,818	6.2	10,877,972	-0.0	7	1,557	100.0
Dec 17	87.0	0.5	279.61	-2.7	243.34	-2.2	48,267	10.0	42,006	10.6	11,745,166	7.6	7	1,557	100.0
Jul YTD 2017	76.1	-11.9	237.47	-0.7	180.64	-12.5	301,627	0.7	229,441	-11.3	54,486,495	-11.9			
Total 2017	79.8	-9.1	256.04	-1.4	204.23	-10.3	539,484	4.6	430,320	-4.9	110,177,173	-6.2			
Jan 18	68.9	-0.4	184.63	-3.5	127.27	-3.8	48,267	10.0	33,273	9.6	6,143,102	5.8	7	1,557	100.0
Feb 18	75.9	4.3	181.23	-6.7	137.64	-2.7	43,596	10.0	33,110	14.7	6,000,576	7.0	7	1,557	100.0
Mar 18	83.4	6.5	232.96	4.5	194.19	11.3	48,267	10.0	40,235	17.2	9,372,979	22.5	7	1,557	100.0
Apr 18	84.7	6.5	262.16	-0.4	222.04	6.1	46,770	10.2	39,612	17.3	10,384,721	16.9	7	1,559	100.0
May 18	86.4	9.5	302.70	7.1	261.68	17.3	48,329	10.2	41,779	20.6	12,646,646	29.2	7	1,559	100.0
Jun 18	86.3	11.7	281.92	6.1	243.42	18.5	46,770	8.1	40,383	20.7	11,384,948	28.1	7	1,559	100.0
Jul 18	84.2	10.6	238.67	3.4	200.99	14.3	48,329	8.1	40,698	19.5	9,713,500	23.5	7	1,559	100.0
Jul YTD 2018	81.5	7.1	243.96	2.7	198.73	10.0	330,328	9.5	269,090	17.3	65,646,472	20.5			

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								2016												2017												2018																	
STR Code	Name of Establishment	City & State	Zip Code	Class	Aff Date	Open Date	Rooms	Chg in Rms	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D					
66113	MADE Hotel	New York, NY	10001	Upper Upscale Class	Aug 2017	Aug 2017	104	Y																																									
58813	Hotel Hayden	New York, NY	10001	Upscale Class	Jan 2017	Oct 2009	122		●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●			
60503	Kimpton Hotel Eventi	New York, NY	10001	Upper Upscale Class	May 2010	May 2010	292		●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	
58097	Ace Hotel New York	New York, NY	10001	Upper Upscale Class	May 2009	May 2009	285	Y	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	
20240	The James New York NoMad	New York, NY	10016	Upscale Class	Jun 2017	Jun 1904	337	Y	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	
39350	The Redbury New York	New York, NY	10016	Upper Midscale Class	Jan 2001	Jan 2001	259	Y	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	
29502	The Evelyn	New York, NY	10016	Upscale Class	Jun 1903	Jun 1903	160	Y	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
Total Properties:								7	1559	○ - Monthly data received by STR ● - Monthly and daily data received by STR Blank - No data received by STR Y - (Chg in Rms) Property has experienced a room addition or drop during the time period of the report.																																							

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Tab 11 - Terms and Conditions

18-12341-smb Doc 36

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Main Document

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Before purchasing this product you agreed to the following terms and conditions.

In consideration of the mutual promises contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, STR, Inc. ("STR"), STR Global, Ltd. ("STRG"), and the licensee identified elsewhere in this Agreement ("Licensee") agree as follows:

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(a) "Agreement" means these Standard Terms and Conditions and any additional terms specifically set out in writing in the document(s) (if any) to which these Standard Terms and Conditions are attached or in which they are incorporated by reference, and, if applicable, any additional terms specifically set out in writing in any Schedule attached hereto.

(b) "Licensed Materials" means the newsletters, reports, databases or other information resources, and all lodging industry data contained therein, provided to Licensee hereunder.

1.2 Grant of License. Subject to the terms and conditions of this Agreement, and except as may be expressly permitted elsewhere in this Agreement, STR hereby grants to Licensee a non-exclusive, non-transferable, indivisible, non-sublicensable license to use, copy, manipulate and extract data from the Licensed Materials for its own INTERNAL business purposes only.

1.3 Copies. Except as expressly permitted elsewhere in this Agreement, Licensee may make and maintain no more than two (2) copies of any Licensed Materials.

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2.2 Disclaimers. STR shall have no liability with respect to its obligations under this agreement or otherwise for consequential, exemplary, special, incidental, or punitive damages even if STR has been advised of the possibility of such damages. Furthermore, STR shall have no liability whatsoever for any claim relating in any way to any decision made or action taken by licensee in reliance upon the licensed materials.

2.3 Limitation of Liability. STR's total liability to licensee for any reason and upon any cause of action including without limitation, infringement, breach of contract, negligence, strict liability, misrepresentations, and other torts, shall be limited to all fees paid to STR by the licensee during the twelve month period preceding the date on which such cause of action first arose.

3. MISCELLANEOUS

3.1 Liquidated Damages. In the event of a violation of Section 1.5 of these Standard Terms and Conditions, Licensee shall be required to pay STR an amount equal to the sum of (i) the highest aggregate price that STR, in accordance with its then-current published prices, could have charged the unauthorized recipients for the Licensed Materials that are the subject of the violation, and (ii) the full price of the lowest level of republishing rights that Licensee would have been required to purchase from STR in order to have the right to make the unauthorized distribution, regardless of whether Licensee has previously paid for any lower level of republishing rights, and (iii) fifteen percent (15%) of the total of the previous two items. This provision shall survive indefinitely the expiration or termination of this Agreement for any reason.

copies of the Licensed Materials and all other information relating thereto in Licensee's possession or control as of the such date. This provision shall survive indefinitely the expiration or termination of this Agreement for any reason.

or actions regarding or arising out of this Agreement shall be brought exclusively in a court of competent jurisdiction located in Nashville, Tennessee, and the parties expressly consent to personal jurisdiction thereof. The parties also expressly waive any objections to venue.

3.4 Assignment. Licensee is prohibited from assigning this Agreement or delegating any of its duties under this Agreement without the prior written consent of STR.

venture relationship.

at the time of transmission (provided, however, that notice delivered by facsimile transmission shall only be effective if such notice is also delivered by hand or deposited in the United States mail, postage prepaid, registered, certified or express mail or by courier service within two (2) business days after its delivery by facsimile transmission); iii) when delivered by a courier service or by express mail, at the time of receipt; or iv) five (5) business days after being deposited in the United States mail, postage prepaid, registered or certified mail, addressed (in any such case) to the addresses listed on the first page of this Agreement or to such other address as either party may notify the other in writing.

3.7 Waiver. No waiver of any breach of this Agreement will be deemed to constitute a waiver of any subsequent breach of the same or any other provision.

3.8 Entire Agreement. This Agreement constitutes the entire agreement of the parties with respect to the matters described herein, superseding in all respects any and all prior proposals, negotiations, understandings and other agreements, oral or written, between the parties.

3.9 Amendment. This Agreement may be amended only by the written agreement of both parties.

the provisions of this Agreement, the successful or prevailing party or parties shall be entitled to recover reasonable attorneys' fees and other costs incurred in that action or proceeding, in addition to any other relief to which it or they may be entitled.

3.11 Injunctive Relief. The parties agree that, in addition to any other rights or remedies which the other or STR may have, any party alleging breach or threatened breach of this Agreement will be entitled to such equitable and injunctive relief as may be available from any court of competent jurisdiction to restrain the other from breaching or threatening to breach any of the provisions of this Section, without posting bond or other surety.

3.12 Notice of Unauthorized Access. Licensee shall notify STR immediately upon Licensee's becoming aware of any facts indicating that a third party may have obtained or may be about to obtain unauthorized access to the Licensed Materials, and shall fully cooperate with STR in its efforts to mitigate the damages caused by any such breach or potential breach.

3.13 Conflicting Provisions. In the event that any provision of these Standard Terms and Conditions directly conflicts with any other provision of the Agreement, the conflicting terms of such other provision shall control.



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STR # 60371 / Created January 30, 2018

Monthly STAR Report : Flatiron Hotel

For the Month of: December 2017

Currency: US Dollar / Competitive Set Data Excludes Subject Property



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Tab 2 - Monthly Performance at a Glance - My Property vs. Competitive Set

Flatiron Hotel 9 W 26th St New York, NY 10010-1003 Phone: (212) 839-8000

STR # 60371 ChainID: MgtCo: Crescent Hotels & Resorts Owner: None

For the Month of: December 2017 Date Created: January 30, 2018 Monthly Competitive Set Data Excludes Subject Property

December 2017

	Occupancy (%)			ADR			RevPAR		
	My Prop	Comp Set	Index (MPI)	My Prop	Comp Set	Index (ARI)	My Prop	Comp Set	Index (RGI)
Current Month	85.7	87.5	97.9	247.27	267.73	92.4	211.95	234.30	90.5
Year To Date	86.4	88.1	98.0	218.05	233.71	93.3	188.32	205.90	91.5
Running 3 Month	90.2	89.6	100.6	237.81	269.06	88.4	214.39	241.14	88.9
Running 12 Month	86.4	88.1	98.0	218.05	233.71	93.3	188.32	205.90	91.5

December 2017 vs. 2016 Percent Change (%)

	Occupancy			ADR			RevPAR		
	My Prop	Comp Set	Index (MPI)	My Prop	Comp Set	Index (ARI)	My Prop	Comp Set	Index (RGI)
Current Month	-7.3	0.6	-7.9	2.0	1.1	0.9	-5.5	1.7	-7.1
Year To Date	3.9	3.0	0.9	0.2	-1.8	2.0	4.1	1.1	2.9
Running 3 Month	0.4	1.0	-0.6	-3.2	-0.1	-3.1	-2.8	1.0	-3.7
Running 12 Month	3.9	3.0	0.9	0.2	-1.8	2.0	4.1	1.1	2.9

Tab 3 - STAR Summary - My Property vs. Comp Set and Industry Segments

Flatiron Hotel 9 W 26th St New York, NY 10010-1003 Phone: (212) 839-8000

STR # 60371 ChainID: MgtCo: Crescent Hotels & Resorts Owner: None

For the Month of: December 2017 Date Created: January 30, 2018 Monthly Competitive Set Data Excludes Subject Property

	Occupancy (%)							
	Current Month	% Chg	Year to Date	% Chg	Running 3 Month	% Chg	Running 12 Month	% Chg
Flatiron Hotel	85.7	-7.3	86.4	3.9	90.2	0.4	86.4	3.9
Market: New York, NY	88.6	1.4	86.7	1.1	89.0	1.0	86.7	1.1
Market Class: Upscale Class	90.7	0.6	89.3	-0.3	90.9	0.0	89.3	-0.3
Submarket: Midtown South, NY	90.5	1.7	87.5	-0.3	90.6	0.4	87.5	-0.3
Submarket Scale: Independents	89.0	3.3	86.3	1.4	89.9	2.2	86.3	1.4
Competitive Set: Competitors	87.5	0.6	88.1	3.0	89.6	1.0	88.1	3.0

Supply			
Month % Chg	YTD % Chg	Run 3 Mon % Chg	Run 12 Mon % Chg
-9.7	-1.1	-3.3	-1.1
3.3	4.0	3.9	4.0
11.0	10.1	12.7	10.1
8.9	6.4	9.3	6.4
11.1	16.8	17.2	16.8
0.3	0.3	0.3	0.3

	Average Daily Rate							
	Current Month	% Chg	Year to Date	% Chg	Running 3 Month	% Chg	Running 12 Month	% Chg
Flatiron Hotel	247.27	2.0	218.05	0.2	237.81	-3.2	218.05	0.2
Market: New York, NY	296.75	-0.6	255.54	-1.4	292.78	-0.2	255.54	-1.4
Market Class: Upscale Class	256.97	0.3	219.01	-2.5	252.02	-0.6	219.01	-2.5
Submarket: Midtown South, NY	263.78	-0.3	231.05	-1.2	262.71	-0.5	231.05	-1.2
Submarket Scale: Independents	260.27	-0.2	228.65	-0.3	259.33	0.2	228.65	-0.3
Competitive Set: Competitors	267.73	1.1	233.71	-1.8	269.06	-0.1	233.71	-1.8

Demand			
Month % Chg	YTD % Chg	Run 3 Mon % Chg	Run 12 Mon % Chg
-16.3	2.8	-2.9	2.8
4.8	5.1	4.9	5.1
11.7	9.8	12.7	9.8
10.7	6.1	9.8	6.1
14.8	18.5	19.8	18.5
1.0	3.3	1.4	3.3

	RevPAR							
	Current Month	% Chg	Year to Date	% Chg	Running 3 Month	% Chg	Running 12 Month	% Chg
Flatiron Hotel	211.95	-5.5	188.32	4.1	214.39	-2.8	188.32	4.1
Market: New York, NY	263.02	0.8	221.60	-0.3	260.59	0.8	221.60	-0.3
Market Class: Upscale Class	233.13	1.0	195.50	-2.8	229.13	-0.6	195.50	-2.8
Submarket: Midtown South, NY	238.70	1.4	202.25	-1.5	237.93	-0.1	202.25	-1.5
Submarket Scale: Independents	231.66	3.1	197.42	1.1	233.13	2.4	197.42	1.1
Competitive Set: Competitors	234.30	1.7	205.90	1.1	241.14	1.0	205.90	1.1

Revenue			
Month % Chg	YTD % Chg	Run 3 Mon % Chg	Run 12 Mon % Chg
-14.6	3.0	-6.0	3.0
4.2	3.7	4.7	3.7
12.1	7.0	12.1	7.0
10.4	4.8	9.2	4.8
14.6	18.1	20.1	18.1
2.1	1.4	1.3	1.4

Census/Sample - Properties & Rooms					
Census		Sample		Sample %	
Properties	Rooms	Properties	Rooms	Rooms	
Market: New York, NY	653	119056	465	102070	85.7
Market Class: Upscale Class	142	31952	125	29924	93.7
Submarket: Midtown South, NY	121	24371	97	22169	91.0
Submarket Scale: Independents	57	9140	33	6938	75.9
Competitive Set: Competitors	5	909	5	909	100.0

Pipeline			
Market: New York, NY			
Under Construction		Planning	
Properties	Rooms	Properties	Rooms
69	12074	78	12085
See Help page for pipeline definitions.			

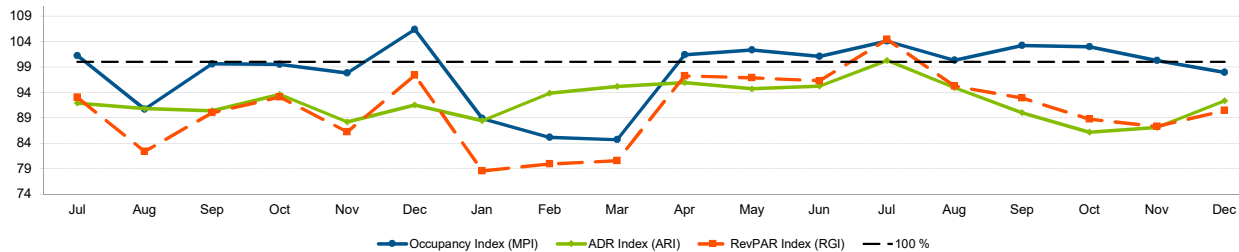
Tab 4 - Competitive Set Report

Flatiron Hotel 9 W 26th St New York, NY 10010-1003 Phone: (212) 839-8000

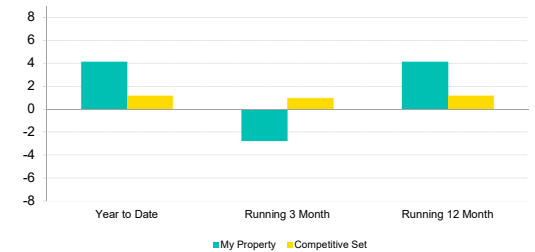
STR # 60371 ChainID: MgtCo: Crescent Hotels & Resorts Owner: None

For the Month of: December 2017 Date Created: January 30, 2018 Monthly Competitive Set Data Excludes Subject Property

Monthly Indexes



RevPAR Percent Change



Occupancy (%)	2016						2017											
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
My Property	87.1	77.0	89.6	89.6	87.2	92.5	66.4	68.0	75.6	92.6	91.1	92.2	93.9	91.1	94.4	93.9	90.4	85.7
Competitive Set	86.0	84.9	90.0	90.0	89.1	87.0	74.7	79.8	89.2	91.4	89.0	91.3	90.2	90.8	91.5	91.2	90.2	87.5
Index (MPI)	101.2	90.7	99.6	99.5	97.8	106.4	88.9	85.2	84.7	101.4	102.3	101.1	104.1	100.3	103.2	103.0	100.3	97.9
Rank	4 of 6	5 of 6	4 of 6	3 of 6	3 of 6	2 of 6	4 of 6	5 of 6	6 of 6	4 of 6	4 of 6	4 of 6	3 of 6	3 of 6	2 of 6	2 of 6	3 of 6	4 of 6

Year To Date		
2015	2016	2017
72.7	83.1	86.4
86.6	85.5	88.1
83.9	97.2	98.0
6 of 6	4 of 6	4 of 6

Running 3 Month		
2015	2016	2017
72.2	89.8	90.2
86.9	88.7	89.6
83.0	101.2	100.6
6 of 6	3 of 6	3 of 6

Running 12 Month		
2015	2016	2017
72.7	83.1	86.4
86.6	85.5	88.1
83.9	97.2	98.0
6 of 6	4 of 6	4 of 6

% Chg																		
My Property	22.0	15.0	34.2	29.1	25.7	19.1	36.7	-5.9	-14.5	5.7	4.2	2.4	7.8	18.3	5.3	4.8	3.7	-7.3
Competitive Set	-5.0	-5.6	-1.0	-2.3	5.1	3.8	8.4	1.9	-0.4	7.7	2.9	0.7	4.8	6.9	1.6	1.3	1.2	0.6
Index (MPI)	28.5	21.8	35.5	32.2	19.5	14.7	26.2	-7.7	-14.2	-1.9	1.3	1.7	2.8	10.6	3.6	3.5	2.5	-7.9
Rank	1 of 6	1 of 6	1 of 6	1 of 6	1 of 6	1 of 6	2 of 6	5 of 6	6 of 6	4 of 6	3 of 6	3 of 6	3 of 6	2 of 6	1 of 6	1 of 6	2 of 6	5 of 6

-17.2	14.4	3.9
3.2	-1.2	3.0
-19.7	15.8	0.9
6 of 6	1 of 6	2 of 6

-14.7	24.4	0.4
5.2	2.0	1.0
-18.9	21.9	-0.6
6 of 6	1 of 6	4 of 6

-17.2	14.4	3.9
3.2	-1.2	3.0
-19.7	15.8	0.9
6 of 6	1 of 6	2 of 6

ADR	2016						2017											
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
My Property	199.65	194.74	272.60	265.67	227.84	242.47	143.80	155.65	188.68	227.96	246.46	229.89	208.04	195.79	265.10	249.63	216.75	247.27
Competitive Set	217.24	214.36	301.56	283.88	258.41	264.86	162.64	165.84	198.33	237.60	260.28	241.36	207.45	206.27	294.53	289.67	248.84	267.73
Index (ARI)	91.9	90.8	90.4	93.6	88.2	91.5	88.4	93.9	95.1	95.9	94.7	95.2	100.3	94.9	90.0	86.2	87.1	92.4
Rank	4 of 6	4 of 6	4 of 6	3 of 6	3 of 6	4 of 6	3 of 6	3 of 6	3 of 6	3 of 6	3 of 6	3 of 6	4 of 6	4 of 6	4 of 6	5 of 6	3 of 6	4 of 6

Year To Date		
2015	2016	2017
223.33	217.64	218.05
245.44	237.99	233.71
91.0	91.5	93.3
4 of 6	4 of 6	3 of 6

Running 3 Month		
2015	2016	2017
253.44	245.63	237.81
278.94	269.25	269.06
90.9	91.2	88.4
4 of 6	3 of 6	4 of 6

Running 12 Month		
2015	2016	2017
223.33	217.64	218.05
245.44	237.99	233.71
91.0	91.5	93.3
4 of 6	4 of 6	3 of 6

RevPAR	2016						2017											
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
My Property	199.65	194.74	272.60	265.67	227.84	242.47	143.80	155.65	188.68	227.96	246.46	229.89	208.04	195.79	265.10	249.63	216.75	247.27
Competitive Set	217.24	214.36	301.56	283.88	258.41	264.86	162.64	165.84	198.33	237.60	260.28	241.36	207.45	206.27	294.53	289.67	248.84	267.73
Index (ARI)	91.9	90.8	90.4	93.6	88.2	91.5	88.4	93.9	95.1	95.9	94.7	95.2	100.3	94.9	90.0	86.2	87.1	92.4
Rank	4 of 6	4 of 6	4 of 6	3 of 6	3 of 6	4 of 6	3 of 6	3 of 6	3 of 6	3 of 6	3 of 6	3 of 6	4 of 6	4 of 6	4 of 6	5 of 6	3 of 6	4 of 6

Year To Date		
2015	2016	2017
223.33	217.64	218.05
245.44	237.99	233.71
91.0	91.5	93.3
4 of 6	4 of 6	3 of 6

Running 3 Month		
2015	2016	2017
253.44	245.63	237.81
278.94	269.25	269.06
90.9	91.2	88.4
4 of 6	3 of 6	4 of 6

Running 12 Month		
2015	2016	2017
223.33	217.64	218.05
245.44	237.99	233.71
91.0	91.5	93.3
4 of 6	4 of 6	3 of 6

Flatiron Hotel 9 W 26th St New York, NY 10010-1003 Phone: (212) 839-8000
 STR # 60371 ChainID: MgtCo: Crescent Hotels & Resorts Owner: None
 For the Month of: December 2017 Date Created: January 30, 2018

This Year

Dec 13th - First Day of Hanukkah
 Dec 24th - Christmas Eve
 Dec 25th - Christmas
 Dec 26th - First Day of Kwanzaa
 Dec 31st - New Year's Eve

December 2017 (This Year)

Sun	Mon	Tue	Wed	Thu	Fri	Sat
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

December 2016 (Last Year)

Sun	Mon	Tue	Wed	Thu	Fri	Sat
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

Last Year

Dec 24th - Christmas Eve
 Dec 25th - Christmas
 Dec 25th - First Day of Hanukkah
 Dec 26th - First Day of Kwanzaa
 Dec 31st - New Year's Eve

STR#	Name	City, State	Zip	Phone	Rooms	Open Date
60371	Flatiron Hotel	New York, NY	10010-1003	(212) 839-8000	64	201108
39350	The Redbury New York	New York, NY	10016-7902	(212) 689-1900	257	200101
39805	Avalon Hotel	New York, NY	10016-5402	(212) 299-7000	100	199804
42935	The Marcel @ Gramercy	New York, NY	10011-1701	(212) 696-3800	136	
43318	Park South Hotel	New York, NY	10016-8402	(212) 448-0888	131	200101
58097	Ace Hotel New York	New York, NY	10001-4502	(212) 679-2222	285	200905
					973	

2016												2017											
Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●

Data received:

- = Monthly Only
- = Monthly & Daily

STR # 60371 ChainID:

Owner: None

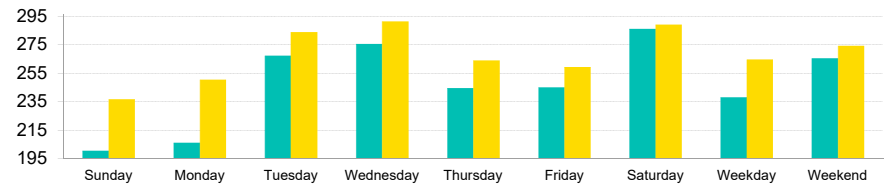
STR # 60371 ChainID: MgtCo: Crescent Hotels & Resorts Owner: None

Date Created: January 30, 2025

Monthly C

For the Month of: December 2017 Date Created: January 30, 2018 Monthly Competitive Set Data Excludes Subject Property

Current Month ADR



		Occupancy (%)						Average Daily Rate						RevPAR					
Day of Week	Time Period	My Property		Competitive Set		Index (MPI)		My Property		Competitive Set		Index (ARI)		My Property		Competitive Set		Index (RGI)	
			% Chg		% Chg		% Chg		% Chg		% Chg		% Chg		% Chg		% Chg		% Chg
Sunday	Current Month	74.9	-18.1	81.2	-0.1	92.2	-18.0	200.38	21.4	236.64	13.9	84.7	6.6	150.05	-0.6	192.17	13.7	78.1	-12.6
	Year To Date	78.7	2.5	80.5	3.9	97.7	-1.4	162.09	5.1	186.80	-3.9	86.8	9.3	127.53	7.7	150.39	-0.1	84.8	7.8
	Running 3 Month	82.8	3.9	79.9	-0.5	103.6	4.5	170.57	-0.4	214.29	2.2	79.6	-2.6	141.27	3.5	171.32	1.6	82.5	1.8
	Running 12 Month	78.7	2.5	80.5	3.9	97.7	-1.4	162.09	5.1	186.80	-3.9	86.8	9.3	127.53	7.7	150.39	-0.1	84.8	7.8
Monday	Current Month	87.7	-6.4	82.5	-5.8	106.3	-0.7	206.11	-0.6	250.38	-1.9	82.3	1.3	180.77	-7.0	206.61	-7.5	87.5	0.5
	Year To Date	84.3	5.7	85.9	2.5	98.1	3.2	202.64	-1.9	237.76	-0.9	85.2	-1.1	170.78	3.7	204.32	1.6	83.6	2.1
	Running 3 Month	86.9	1.6	84.5	0.3	102.9	1.3	195.17	-7.4	257.09	0.7	75.9	-8.0	169.68	-5.9	217.27	0.9	78.1	-6.8
	Running 12 Month	84.3	5.7	85.9	2.5	98.1	3.2	202.64	-1.9	237.76	-0.9	85.2	-1.1	170.78	3.7	204.32	1.6	83.6	2.1
Tuesday	Current Month	83.4	-13.2	87.7	-2.2	95.0	-11.3	267.18	6.2	283.82	4.0	94.1	2.0	222.78	-7.9	248.99	1.8	89.5	-9.5
	Year To Date	87.5	2.7	90.9	2.6	96.3	0.1	250.53	0.1	263.06	-0.7	95.2	0.8	219.33	2.7	239.25	1.9	91.7	0.8
	Running 3 Month	88.3	-4.1	90.1	1.4	98.1	-5.5	247.75	-4.6	291.17	0.2	85.1	-4.8	218.76	-8.5	262.21	1.6	83.4	-10.0
	Running 12 Month	87.5	2.7	90.9	2.6	96.3	0.1	250.53	0.1	263.06	-0.7	95.2	0.8	219.33	2.7	239.25	1.9	91.7	0.8
Wednesday	Current Month	88.5	-6.4	88.3	1.4	100.2	-7.7	275.54	6.9	291.18	6.5	94.6	0.3	243.84	0.1	257.14	8.1	94.8	-7.4
	Year To Date	89.3	5.1	92.0	2.7	97.0	2.3	260.23	0.0	268.32	-0.3	97.0	0.3	232.45	5.1	246.98	2.4	94.1	2.6
	Running 3 Month	93.9	2.6	93.9	1.5	99.9	1.1	289.53	0.1	306.04	1.7	94.6	-1.6	271.74	2.8	287.50	3.2	94.5	-0.4
	Running 12 Month	89.3	5.1	92.0	2.7	97.0	2.3	260.23	0.0	268.32	-0.3	97.0	0.3	232.45	5.1	246.98	2.4	94.1	2.6
Thursday	Current Month	86.1	-7.5	89.5	4.4	96.2	-11.4	244.47	0.3	263.69	-3.0	92.7	3.4	210.57	-7.3	235.98	1.2	89.2	-8.4
	Year To Date	88.8	5.2	88.7	2.2	100.1	3.0	205.53	-2.8	235.31	-2.8	87.3	0.0	182.50	2.3	208.79	-0.7	87.4	3.0
	Running 3 Month	93.7	-0.3	93.4	2.1	100.3	-2.4	241.24	-2.7	277.57	-1.9	86.9	-0.8	225.98	-3.0	259.18	0.2	87.2	-3.2
	Running 12 Month	88.8	5.2	88.7	2.2	100.1	3.0	205.53	-2.8	235.31	-2.8	87.3	0.0	182.50	2.3	208.79	-0.7	87.4	3.0
Friday	Current Month	90.0	1.4	90.7	5.1	99.2	-3.5	244.80	-5.4	259.26	-0.2	94.4	-5.3	220.29	-4.1	235.28	4.9	93.6	-8.6
	Year To Date	88.0	5.2	87.7	3.8	100.3	1.3	201.10	0.6	212.15	-2.2	94.8	2.9	176.95	5.9	186.12	1.5	95.1	4.3
	Running 3 Month	93.1	2.4	92.7	2.9	100.4	-0.5	242.08	-2.1	255.08	-0.7	94.9	-1.4	225.47	0.2	236.58	2.1	95.3	-1.8
	Running 12 Month	88.0	5.2	87.7	3.8	100.3	1.3	201.10	0.6	212.15	-2.2	94.8	2.9	176.95	5.9	186.12	1.5	95.1	4.3
Saturday	Current Month	90.0	-1.0	92.2	1.8	97.6	-2.8	286.02	-3.3	288.80	-3.4	99.0	0.1	257.38	-4.3	266.22	-1.7	96.7	-2.7
	Year To Date	88.1	1.3	91.0	3.6	96.9	-2.1	238.11	2.1	227.05	-2.3	104.9	4.5	209.81	3.5	206.52	1.2	101.6	2.2
	Running 3 Month	92.9	-1.5	93.5	0.6	99.3	-2.1	272.82	-1.8	277.20	-0.7	98.4	-1.1	253.43	-3.3	259.27	-0.1	97.7	-3.2

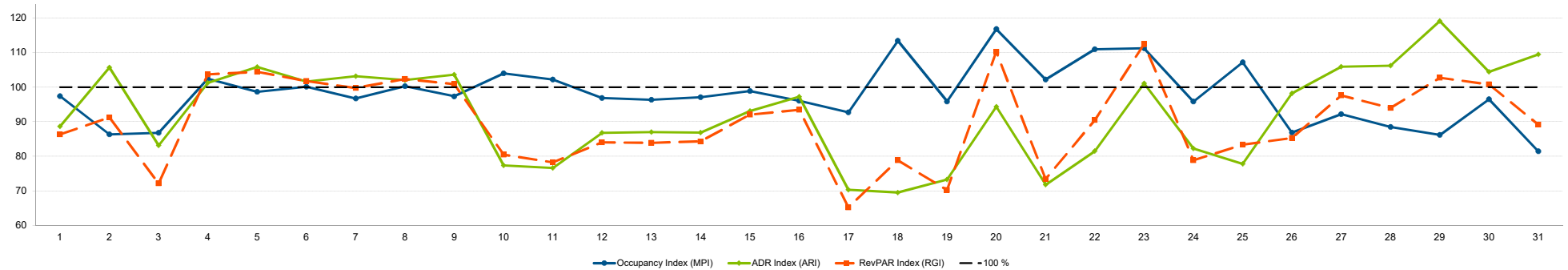
Tab 7 - Daily Data for the Month

Flatiron Hotel 9 W 26th St New York, NY 10010-1003 Phone: (212) 839-8000

STR # 60371 ChainID: MgtCo: Crescent Hotels & Resorts Owner: None

For the Month of: December 2017 Date Created: January 30, 2018 Daily Competitive Set Data Excludes Subject Property

Daily Indexes for the Month of December



Occupancy (%)	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa	Su
	December																														
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31
My Property	87.5	82.8	67.2	95.3	98.4	100.0	95.3	98.4	95.3	81.3	90.6	93.8	95.3	93.8	93.8	93.8	68.8	75.0	59.4	68.8	71.9	92.2	92.2	78.1	87.5	79.7	87.5	81.3	75.0	82.8	76.6
Competitive Set	89.9	95.9	77.4	93.1	99.8	99.9	98.6	98.1	97.9	78.1	88.7	96.8	98.9	96.6	94.8	97.6	74.1	66.1	61.9	58.9	70.3	83.1	82.8	81.5	81.6	91.7	94.9	91.9	87.0	85.8	94.1
Index (MPI)	97.4	86.3	86.8	102.4	98.7	100.1	96.7	100.3	97.3	104.0	102.2	96.8	96.4	97.1	98.9	96.1	92.7	113.4	95.9	116.8	102.2	111.0	111.3	95.8	107.2	86.9	92.2	88.5	86.2	96.5	81.4
% Chg																															
My Property	-9.7	-10.2	-24.6	-3.2	1.6	1.6	-1.6	1.6	-3.2	-10.3	-4.9	-6.3	0.0	-4.8	0.0	-1.6	-21.4	-12.7	-32.1	-22.8	-17.9	15.7	15.7	-20.6	-8.2	-20.3	-8.2	-5.5	-2.0	-7.0	0.0
Competitive Set	1.8	-0.3	-9.0	-3.4	1.8	1.8	1.6	1.7	0.6	-6.0	-5.5	0.4	8.0	5.8	3.8	7.0	0.1	-13.3	-14.3	-15.4	1.1	14.9	9.1	-1.5	-2.3	0.2	7.0	8.2	4.7	-6.4	17.4
Index (MPI)	-11.3	-9.9	-17.1	0.2	-0.2	-0.2	-3.2	-0.1	-3.7	-4.6	0.6	-6.6	-7.4	-10.0	-3.6	-8.1	-21.5	0.7	-20.8	-8.8	-18.7	0.7	6.1	-19.4	-6.0	-20.4	-14.2	-12.6	-6.4	-0.6	-14.8

ADR	December																														
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31
My Property	262.80	329.21	220.37	349.95	432.84	426.00	361.16	314.56	347.10	157.35	206.41	262.55	254.34	229.23	216.00	260.42	113.34	120.67	123.45	160.30	118.04	139.10	183.42	140.78	143.77	204.06	246.11	263.85	336.23	355.96	392.84
Competitive Set	296.46	311.50	265.09	345.55	408.83	419.20	350.03	308.30	334.99	203.40	269.58	302.47	292.32	263.99	231.97	267.79	161.19	173.62	168.55	169.92	164.45	170.64	181.45	171.17	184.89	207.83	232.32	248.42	282.16	340.90	358.79
Index (ARI)	88.6	105.7	83.1	101.3	105.9	101.6	103.2	102.0	103.6	77.4	76.6	86.8	87.0	86.8	93.1	97.2	70.3	69.5	73.2	94.3	71.8	81.5	101.1	82.2	77.8	98.2	105.9	106.2	119.2	104.4	109.5
% Chg																															
My Property	-11.8	4.4	4.8	5.5	6.3	8.6	6.0	18.8	13.9	-3.1	9.7	18.3	8.5	22.2	15.1	6.7	-19.5	-16.0	-13.4	6.0	-20.0	-17.9	-3.4	-5.1	-7.5	-9.8	1.8	4.2	-12.0	-14.4	98.8
Competitive Set	3.2	1.2	-0.6	-10.8	-1.4	2.9	-5.7	-7.4	-2.0	-3.5	8.4	14.8	14.9	13.1	12.8	3.1	-1.6	5.7	6.8	16.7	12.8	4.2	-5.6	-10.2	-8.5	-10.1	-8.4	-7.0	-5.9	-11.4	119.1
Index (ARI)	-14.5	3.2	5.5	18.2	7.7	5.6	12.3	28.3	16.1	0.4	1.2	3.0	-5.6	8.0	2.0	3.5	-18.2	-20.5	-18.9	-9.2	-29.1	-21.1	2.4	5.7	1.1	0.3	11.2	12.1	-6.5	-3.5	-9.3

[illegible]

Tab 8 - Submit Data

Independent STAR Program

STR Code:

Name of Property: Flatiron Hotel

Contact: Raul Moronta

Please enter your latest data on this form, then submit via email or fax.
If you are entering data using the STR web site, please disregard this form.

	January 2018	January 2017
Rooms Available:		
Rooms Sold:		
Room Revenue:		
Total:	0	0
Currency:	<input type="text" value="USD"/>	

Please check the response tab for any incomplete months and submit missing data. Do NOT include complimentary rooms in your numbers.

Submit to us by: **10 February 2018**

Ways to submit data:

Online at: www.str.com

or

Email to: data@str.com

or

Fax to: +1 (615) 338-3536



Glossary:

For all STR definitions, please click here or visit www.str.com/resources/glossary

Frequently Asked Questions (FAQ):

For all STR FAQs, please click here or visit www.str.com/resources/faq

Please visit our website at www.str.com, or if you need additional assistance please reach out to our Customer Support team.

North America:

735 East Main Street, Hendersonville, TN 37075 USA

T : +1 615 824 8664

support@str.com

International:

Blue Fin Building, 110 Southwark Street, London SE1 0TA

T : +44 (0) 207 922 1930

hotelinfo@str.com

Asia Pacific:

Thong Teck Building, 15 Scotts Road #08-12, 228 218 Singapore

T: +64 6800 7850

apinfo@str.com

For the latest in industry news, visit HotelNewsNow.com.

To learn more about the Hotel Data Conference, visit HotelDataConference.com.

Addendum

CLIENT CONTRACT INFORMATION

Proposal and Contract for Services

July 24, 2018

CBRE, Inc.
2100 McKinney Avenue, Suite 700
Dallas, Texas 75201
www.cbre.us/valuation

Kyle Redfearn
Senior Managing Director

Tracy L. Klestadt, Esq.

KLESTADT WINTERS JURELLER SOUTHARD & STEVENS, LLP

Proposed Counsel for Debtor, who is defined as 1141 Realty Owner LLC and Flatiron Hotel Operations (Collectively, the "Company")
200 West 41st Street, 17th Floor
New York, NY 10036
Phone: 212.679.8700
Email: TKlestadt@Klestadt.com

RE: Assignment Agreement
Flatiron Hotel
9 W 26th Street
New York, NY 10010

Dear Mr. Klestadt:

We are pleased to submit this proposal and our Terms and Conditions for this assignment.

PROPOSAL SPECIFICATIONS

Purpose:	To estimate the Market Value of the referenced real estate
Premise:	As Is
Rights Appraised:	Fee Simple
Intended Use:	To assist the intended users in restructuring efforts with the existing lender, their trustee, potential additional equity members and other constituents.
Intended User:	<p>The intended users are</p> <ul style="list-style-type: none">• MR. TRACY L. KLESTADT OF KLESTADT WINTERS JURELLER SOUTHARD & STEVENS, LLP• 1141 REALTY OWNER LLC AND FLATIRON HOTEL OPERATIONS LLC (COLLECTIVELY, "THE COMPANY") <u>upon signing CBRE's Limitation of Liability Form attached to this proposal.</u>
Reliance:	Reliance on any reports produced by CBRE under this Agreement is extended solely to parties and entities expressly acknowledged in a signed writing by CBRE as Intended Users of the respective

reports, provided that any conditions to such acknowledgement required by CBRE or hereunder have been satisfied. Parties or entities other than Intended Users who obtain a copy of the report or any portion thereof (including Client if it is not named as an Intended User), whether as a result of its direct dissemination or by any other means, may not rely upon any opinions or conclusions contained in the report or such portions thereof, and CBRE will not be responsible for any unpermitted use of the report, its conclusions or contents or have any liability in connection therewith.

Inspection:	CBRE will conduct a physical inspection of the subject property.
Valuation Approaches:	All three traditional approaches to value will be considered.
Report Type:	Standard Appraisal Report
Appraisal Standards:	USPAP
Appraisal Fee:	<p>\$10,000 plus hourly rates associated with testimony, deposition, or other court related time.</p> <p>Hourly Rates are: \$550 per hour for time associated with Vice President and Director levels \$250 per hour for administrative and staff levels</p>
Expenses:	Fee includes all associated expenses
Retainer:	A retainer of ½ the total Fee is required with the remainder being due prior to delivery of the draft report. It is understood that the payment terms could require adjustment if payment must be approved by the bankruptcy judge, but must be accepted by CBRE prior to agreeing to them.
Payment Terms:	The fee is considered earned upon delivery of the draft report.
Delivery Instructions:	An Adobe PDF file via email will be delivered to TKlestadt@Klestadt.com. The client has requested No (0) bound final copy (ies).
Delivery Schedule:	
Preliminary Value:	Not Required
Draft Report:	20 business days after the Start Date
Final Report:	Upon Client's request

Start Date: The appraisal process will start upon receipt of your signed agreement, the retainer, and the property specific data.

Acceptance Date: These specifications are subject to modification if this proposal is not accepted within 3 business days from the date of this letter.

When executed and delivered by all parties, this letter, together with the Terms and Conditions and the Specific Property Data Request attached hereto and incorporated herein, will serve as the Agreement for appraisal services by and between CBRE and Client. Each person signing below represents that it is authorized to enter into this Agreement and to bind the respective parties hereto.

We appreciate this opportunity to be of service to you on this assignment. If you have additional questions, please contact us.

Sincerely,

CBRE, Inc.

Valuation & Advisory Services



Kyle Redfearn
Senior Managing Director
As Agent for CBRE, Inc.
T 214.979.5686
Kyle.Redfearn@cbre.com

VALUATION & ADVISORY SERVICES

KLESTADT WINTERS JURELLER SOUTHARD & STEVENS, LLP


Assignment Agreement

Page 4 of 9

July 24, 2018

AGREED AND ACCEPTED

FOR KLESTADT WINTERS JURELLER SOUTHARD & STEVENS, LLP (THE "CLIENT"):

 _____ Signature	<u>7/26/2018</u> _____ Date
Tracy L. Klestadt, Esq. _____ Name	<u>Partner</u> _____ Title
212.679.8700 _____ Phone Number	TKlestadt@Klestadt.com _____ E-Mail Address

TERMS AND CONDITIONS

1. The Terms and Conditions herein are part of an agreement for appraisal services (the "Agreement") between CBRE, Inc. (the "Appraiser") and the client signing this Agreement, and for whom the appraisal services will be performed (the "Client"), and shall be deemed a part of such Agreement as though set forth in full therein. The Agreement shall be governed by the laws of the state where the appraisal office is located for the Appraiser executing this Agreement.
2. Client shall be responsible for the payment of all fees stipulated in the Agreement. Payment of the appraisal fee and preparation of an appraisal report (the "Appraisal Report, or the "report") are not contingent upon any predetermined value or on an action or event resulting from the analyses, opinions, conclusions, or use of the Appraisal Report. Final payment is due as provided in the Proposal Specifications Section of this Agreement. If a draft report is requested, the fee is considered earned upon delivery of the draft report. It is understood that the Client may cancel this assignment in writing at any time prior to delivery of the completed report. In such event, the Client is obligated only for the prorated share of the fee based upon the work completed and expenses incurred (including travel expenses to and from the job site), with a minimum charge of \$500. Additional copies of the Appraisal Reports are available at a cost of \$250 per original color copy and \$100 per photocopy (black and white), plus shipping fees of \$30 per report.
3. If Appraiser is subpoenaed or ordered to give testimony, produce documents or information, or otherwise required or requested by Client or a third party to participate in meetings, phone calls, conferences, litigation or other legal proceedings (including preparation for such proceedings) because of, connected with or in any way pertaining to this engagement, the Appraisal Report, the Appraiser's expertise, or the Property, Client shall pay Appraiser's additional costs and expenses, including but not limited to Appraiser's attorneys' fees, and additional time incurred by Appraiser based on Appraiser's then-prevailing hourly rates and related fees. Such charges include and pertain to, but are not limited to, time spent in preparing for and providing court room testimony, depositions, travel time, mileage and related travel expenses, waiting time, document review and production, and preparation time (excluding preparation of the Appraisal Report), meeting participation, and Appraiser's other related commitment of time and expertise. Hourly charges and other fees for such participation will be provided upon request. In the event Client requests additional appraisal services beyond the scope and purpose stated in the Agreement, Client agrees to pay additional fees for such services and to reimburse related expenses, whether or not the completed report has been delivered to Client at the time of such request.
4. Appraiser shall have the right to terminate this Agreement at any time for cause effective immediately upon written notice to Client on the occurrence of fraud or the willful misconduct of Client, its employees or agents, or without cause upon 30 days written notice.
5. In the event Client fails to make payments when due then, from the date due until paid, the amount due and payable shall bear interest at the maximum rate permitted in the state where the office is located for the Appraiser executing the Agreement. In the event either party institutes legal action against the other to enforce its rights under this Agreement, the prevailing party shall be entitled to recover its reasonable attorney's fees and expenses. Each party waives the right to a trial by jury in any action arising under this Agreement.
6. Appraiser assumes there are no major or significant items or issues affecting the Property that would require the expertise of a professional building contractor, engineer, or environmental consultant for Appraiser to prepare a valid report. Client acknowledges that such additional expertise is not covered in the Appraisal fee and agrees that, if such additional expertise is required, it shall be provided by others at the discretion and direction of the Client, and solely at Client's additional cost and expense.
7. In the event of any dispute between Client and Appraiser relating to this Agreement, or Appraiser's or Client's performance hereunder, Appraiser and Client agree that such dispute shall be resolved by means of binding arbitration in accordance with the commercial arbitration rules of the American Arbitration Association, and judgment upon the award rendered by an arbitrator may be entered in any court of competent jurisdiction. Depositions may be taken and other discovery obtained during such arbitration proceedings to the same extent as authorized in civil judicial proceedings in the state where the office of the Appraiser executing this Agreement is located. The arbitrator shall be limited to awarding compensatory damages and shall have no authority to award punitive, exemplary or similar damages. The prevailing party in the arbitration proceeding shall be entitled to recover its expenses from the losing party, including costs of the arbitration proceeding, and reasonable attorney's fees. Client acknowledges that Appraiser is being retained hereunder as an independent contractor to perform the services described herein and nothing in this Agreement shall be deemed to create any other relationship between

Client and Appraiser. This engagement shall be deemed concluded and the services hereunder completed upon delivery to Client of the Appraisal Report discussed herein.

8. All statements of fact in the report which are used as the basis of the Appraiser's analyses, opinions, and conclusions will be true and correct to Appraiser's actual knowledge and belief. Appraiser does not make any representation or warranty, express or implied, as to the accuracy or completeness of the information or the condition of the Property furnished to Appraiser by Client or others. TO THE FULLEST EXTENT PERMITTED BY LAW, APPRAISER DISCLAIMS ANY GUARANTEE OR WARRANTY AS TO THE OPINIONS AND CONCLUSIONS PRESENTED ORALLY OR IN ANY APPRAISAL REPORT, INCLUDING WITHOUT LIMITATION ANY WARRANTY OF FITNESS FOR ANY PARTICULAR PURPOSE EVEN IF KNOWN TO APPRAISER. Furthermore, the conclusions and any permitted reliance on and use of the Appraisal Report shall be subject to the assumptions, limitations, and qualifying statements contained in the report.
9. Appraiser shall have no responsibility for legal matters, including zoning, or questions of survey or title, soil or subsoil conditions, engineering, or other similar technical matters. The report will not constitute a survey of the Property analyzed.
10. Client shall provide Appraiser with such materials with respect to the assignment as are requested by Appraiser and in the possession or under the control of Client. Client shall provide Appraiser with sufficient access to the Property to be analyzed, and hereby grants permission for entry unless discussed in advance to the contrary.
11. The data gathered in the course of the assignment (except data furnished by Client) and the report prepared pursuant to the Agreement are, and will remain, the property of Appraiser. With respect to data provided by Client, Appraiser shall not violate the confidential nature of the Appraiser-Client relationship by improperly disclosing any proprietary information furnished to Appraiser. Notwithstanding the foregoing, Appraiser is authorized by Client to disclose all or any portion of the report and related data as may be required by statute, government regulation, legal process, or judicial decree, including to appropriate representatives of the Appraisal Institute if such disclosure is required to enable Appraiser to comply with the Bylaws and Regulations of such Institute as now or hereafter in effect.
12. Unless specifically noted, in preparing the Appraisal Report the Appraiser will not be considering the possible existence of asbestos, PCB transformers, or other toxic, hazardous, or contaminated substances and/or underground storage tanks (collectively, "Hazardous Material") on or affecting the Property, or the cost of encapsulation or removal thereof. Further, Client represents that there is no major or significant deferred maintenance of the Property that would require the expertise of a professional cost estimator or contractor. If such repairs are needed, the estimates are to be prepared by others, at Client's discretion and direction, and are not covered as part of the Appraisal fee.
13. In the event Client intends to use the Appraisal Report in connection with a tax matter, Client acknowledges that Appraiser provides no warranty, representation or prediction as to the outcome of such tax matter. Client understands and acknowledges that any relevant taxing authority (whether the Internal Revenue Service or any other federal, state or local taxing authority) may disagree with or reject the Appraisal Report or otherwise disagree with Client's tax position, and further understands and acknowledges that the taxing authority may seek to collect additional taxes, interest, penalties or fees from Client beyond what may be suggested by the Appraisal Report. Client agrees that Appraiser shall have no responsibility or liability to Client or any other party for any such taxes, interest, penalties or fees and that Client will not seek damages or other compensation from Appraiser relating to any such taxes, interest, penalties or fees imposed on Client, or for any attorneys' fees, costs or other expenses relating to Client's tax matters.
14. Appraiser shall have no liability with respect to any loss, damage, claim or expense incurred by or asserted against Client arising out of, based upon or resulting from Client's failure to provide accurate or complete information or documentation pertaining to an assignment ordered under or in connection with this Agreement, including Client's failure, or the failure of any of Client's agents, to provide a complete copy of the Appraisal Report to any third party.
15. LIMITATION OF LIABILITY. EXCEPT TO THE EXTENT ARISING FROM SECTION 16 BELOW, OR SECTION 17 IF APPLICABLE, IN NO EVENT SHALL EITHER PARTY OR ANY OF ITS AFFILIATE, OFFICERS, DIRECTORS, EMPLOYEES, AGENTS, OR CONTRACTORS BE LIABLE TO THE OTHER, WHETHER BASED IN CONTRACT, WARRANTY, INDEMNITY, NEGLIGENCE, STRICT LIABILITY OR OTHER TORT OR OTHERWISE, FOR ANY SPECIAL, CONSEQUENTIAL, PUNITIVE, INCIDENTAL OR INDIRECT DAMAGES, AND AGGREGATE DAMAGES IN CONNECTION WITH THIS AGREEMENT FOR EITHER PARTY (EXCLUDING THE OBLIGATION TO PAY THE FEES REQUIRED HEREUNDER) SHALL NOT EXCEED THE GREATER OF THE TOTAL FEES PAYABLE TO APPRAISER UNDER THIS AGREEMENT OR TEN THOUSAND DOLLARS (\$10,000). THIS LIABILITY LIMITATION SHALL NOT

APPLY IN THE EVENT OF A FINAL FINDING BY AN ARBITRATOR OR A COURT OF COMPETENT JURISDICTION THAT SUCH LIABILITY IS THE RESULT OF A PARTY'S FRAUD OR WILLFUL MISCONDUCT.

16. Client shall not disseminate, distribute, make available or otherwise provide any Appraisal Report prepared hereunder to any third party (including without limitation, incorporating or referencing the Appraisal Report, in whole or in part, in any offering or other material intended for review by other parties) except to (i) any third party expressly acknowledged in a signed writing by Appraiser as an "Intended User" of the Appraisal Report provided that either Appraiser has received an acceptable release from such third party with respect to such Appraisal Report or Client provides acceptable indemnity protections to Appraiser against any claims resulting from the distribution of the Appraisal Report to such third party, (ii) any third party service provider (including rating agencies and auditors) using the Appraisal Report in the course of providing services for the sole benefit of an Intended User, or (iii) as required by statute, government regulation, legal process, or judicial decree. In the event Appraiser consents, in writing, to Client incorporating or referencing the Appraisal Report in any offering or other materials intended for review by other parties, Client shall not distribute, file, or otherwise make such materials available to any such parties unless and until Client has provided Appraiser with complete copies of such materials and Appraiser has approved all such materials in writing. Client shall not modify any such materials once approved by Appraiser. In the absence of satisfying the conditions of this paragraph with respect to a party who is not designated as an Intended User, in no event shall the receipt of an Appraisal Report by such party extend any right to the party to use and rely on such report, and Appraiser shall have no liability for such unauthorized use and reliance on any Appraisal Report. In the event Client breaches the provisions of this paragraph, Client shall indemnify, defend and hold Appraiser, and its affiliates and their officers, directors, employees, contractors, agents and other representatives (Appraiser and each of the foregoing an "Indemnified Party" and collectively the "Indemnified Parties"), fully harmless from and against all losses, liabilities, damages and expenses (collectively, "Damages") claimed against, sustained or incurred by any Indemnified Party arising out of or in connection with such breach, regardless of any negligence on the part of any Indemnified Party in preparing the Appraisal Report.
17. Furthermore, Client shall indemnify, defend and hold each of the Indemnified Parties harmless from and against any Damages in connection with (i) any transaction contemplated by this Agreement or in connection with the appraisal or the engagement of or performance of services by any Indemnified Party hereunder, (ii) any Damages claimed by any user or recipient of the Appraisal Report, whether or not an Intended User, (iii) any actual or alleged untrue statement of a material fact, or the actual or alleged failure to state a material fact necessary to make a statement not misleading in light of the circumstances under which it was made with respect to all information furnished to any Indemnified Party or made available to a prospective party to a transaction, or (iv) an actual or alleged violation of applicable law by an Intended User (including, without limitation, securities laws) or the negligent or intentional acts or omissions of an Intended User (including the failure to perform any duty imposed by law); and will reimburse each Indemnified Party for all reasonable fees and expenses (including fees and expenses of counsel) (collectively, "Expenses") as incurred in connection with investigating, preparing, pursuing or defending any threatened or pending claim, action, proceeding or investigation (collectively, "Proceedings") arising therefrom, and regardless of whether such Indemnified Party is a formal party to such Proceeding. Client agrees not to enter into any waiver, release or settlement of any Proceeding (whether or not any Indemnified Party is a formal party to such Proceeding) without the prior written consent of Appraiser (which consent will not be unreasonably withheld or delayed) unless such waiver, release or settlement includes an unconditional release of each Indemnified Party from all liability arising out of such Proceeding.
18. Time Period for Legal Action. Unless the time period is shorter under applicable law, except in connection with paragraphs 16 and 17 above, Appraiser and Client agree that any legal action or lawsuit by one party against the other party or its affiliates, officers, directors, employees, contractors, agents, or other representatives, whether based in contract, warranty, indemnity, negligence, strict liability or other tort or otherwise, relating to (a) this Agreement or the Appraisal Report, (b) any services or appraisals under this Agreement or (c) any acts or conduct relating to such services or appraisals, shall be filed within two (2) years from the date of delivery to Client of the Appraisal Report to which the claims or causes of action in the legal action or lawsuit relate. The time period stated in this section shall not be extended by any incapacity of a party or any delay in the discovery or accrual of the underlying claims, causes of action or damages.

Proposal and Contract for Services

SPECIFIC PROPERTY DATA REQUEST

In order to complete this assignment under the terms outlined, CBRE, Inc., Valuation & Advisory Services, will require the following specific information for the property:

1. PLEASE NOTIFY US IMMEDIATELY IF ANY OTHER CBRE SERVICE LINE (INCLUDING CAPSTONE) IS INVOLVED IN THE BROKERAGE, FINANCING, INVESTMENT OR MANAGEMENT OF THIS ASSET.
2. Current title report and title holder name
3. Legal description
4. Survey and/or plat map
5. Site plan for the existing development
6. Building plans and specifications, including square footage for all buildings and rooms
7. Current county property tax assessment or tax bill
8. Details on any sale, contract, or listing of the property within the past three years
9. Engineering studies, soil tests or environmental assessments
10. Ground lease, if applicable
11. Details regarding the development costs, including land cost, if developed within the past three years
12. Three-year and YTD property income and expenses
13. Current year property income and expense budget
14. Detailed occupancy report for the past three years and current YTD
15. Details regarding all personal property, including furniture, fixtures, and equipment
16. Franchise and/or management agreement, including fee calculation
17. Annual ADR and average occupancy rates for past three years and current YTD
18. Smith Travel Research STR report (if your property participates)
19. Details regarding the historical and future replacement schedule (i.e., carpets, FF&E, laundry facilities, HVAC, etc.)
20. Details regarding capital expenditures made within the last 12 months, or scheduled for the next 12 months
21. Any previous market/demand studies or appraisals
22. Name and telephone number of general manager and marketing manager for physical inspection and additional information needed during the appraisal process
23. Any other information that might be helpful in valuing this property

If any of the requested data and information is not available, CBRE, Inc., reserves the right to extend the delivery date by the amount of time it takes to receive the requested information or make other arrangements. Please have the requested information delivered to the following:

Kyle Redfearn
Senior Managing Director
Kyle.Redfearn@cbre.com
CBRE, Inc.
Valuation & Advisory Services
2100 McKinney Avenue, Suite 700
Dallas, Texas 75201

Proposal and Contract for Services

RETAINER AND PAYMENT INSTRUCTIONS

Please let us know if you plan to send the retainer by mail, or wire. If mailed, please confirm once sent, and by type of delivery source (USPS, UPS, FedEx, etc.). If sending by wire, please follow-up with the Federal ID number so we can more easily track and apply funds.

We sincerely appreciate your help, as this will allow us to remain on schedule for the assignment.

WIRING INSTRUCTIONS

WIRING/ACH INSTRUCTIONS TO WELLS FARGO BANK

CBRE

As of October 2008

I. Bank information to be provided to bank wiring money (or requesting ACH transfer):

Bank Name:	Wells Fargo
Address:	420 Montgomery Street San Francisco, CA 94104
ABA Number:	121 - 000 - 248
Contact at Bank:	Michelle Polcari
Telephone:	(310)606-4792
Name on Account:	CBRE, Inc. Appraisal and Valuation
General Account No:	4121-248561
Reference Information:	Invoice number & Property Name if Retainer, please list property name and Retainer
Local Contact:	Megan Martin

MAILING INSTRUCTIONS

Checks can be sent to our Client Service Specialist Megan Martin in our Dallas office. Please make sure her name is included on the address so that it is routed properly.

Megan Martin
Business Services Administrator - VAS
2100 McKinney, Suite 700
Dallas, TX 75201
O +1 214 979 5682
megan.martin@cbre.com

If you have any questions, please reach out to myself or Megan direct. We look forward to working with you, and appreciate the business.

Kyle Redfearn
Senior Managing Director
2100 McKinney, Suite 700
Dallas, TX 75201
T 214.979.5686
Kyle.Redfearn@cbre.com

Intended User Limitation of Liability Agreement

1141 REALTY OWNER LLC AND FLATIRONHOTEL OPERATIONS LLC (COLLECTIVELY, "THE COMPANY") ("we" or "us"), hereby acknowledges that CBRE, Inc. ("CBRE") will prepare an appraisal report of the Flatiron Hotel in New York City (the "Report"), dated in August 2018 pursuant to the terms of an engagement agreement for valuation & advisory services (the "Agreement") entered into between CBRE and KLESTADT WINTERS JURELLER SOUTHARD & STEVENS, LLP (the "Client"). We are advised that the ability of any party to use and rely on the Report is limited under the Agreement to the Client and other "Intended Users" expressly identified in the Agreement or the Report. We further understand that, as a condition for being considered an Intended User, a party must agree to limit the risk liability and exposure incurred by CBRE in permitting such third party use of the Report. Therefore, we hereby request recognition by CBRE as an Intended User, with all rights to use and rely upon such Report for the limited purposes identified in the Agreement and otherwise reflected in the Report. In consideration for such recognition, we agree to limit the cumulative total liability that CBRE has for any damages and claims that may arise pertaining to our use of, and/or reliance on, the Report to an amount not to exceed Ten Thousand Dollars (\$10,000). We further agree, as an Intended User, that CBRE shall have no liability to us whatsoever for any special, consequential, punitive, indirect or incidental damages in connection with our use of and/or reliance on the Report.

We acknowledge that dissemination of the Report to any party not recognized as an Intended User does not extend reliance to such party, and that CBRE will not be responsible or liable for any unauthorized use of, and/or reliance on, the Report, or its conclusions or contents. We, therefore, shall not disseminate, distribute, file, or otherwise provide the Report to any any third party who is not an Intended User of the Report (including without limitation, incorporating or referencing the Report, in whole or in part, in any offering or other material intended for review by other parties) without CBRE's prior written consent. In the event we breach the provisions of this paragraph, we shall indemnify, defend and hold CBRE and its affiliates, and their respective officers, directors, employees, contractors, agents and other representatives (CBRE and each of the foregoing an "Indemnified Party" and collectively the "Indemnified Parties"), fully harmless from and against all losses, liabilities, damages and expenses, including reasonable attorneys' fees (collectively, "Damages") claimed, sustained or incurred by any party arising out of or in connection with such breach, regardless of any negligence on the part of any Indemnified Party in preparing the Report.

This Intended User Limitation of Liability Agreement (this "Liability Agreement") shall be binding on our lawful representatives, successors, designees, and assigns, and shall be governed by the laws of the state where the CBRE office responsible for preparing the Report is located. In the event either party institutes legal action against the other to enforce its rights under this Liability Agreement, the prevailing party shall be entitled to recover its reasonable attorney's fees and expenses. This Liability Agreement may be executed in counterparts and exchanged via facsimile or email/PDF, each of which shall be deemed to be an original, but all of which shall constitute one and the same instrument. The signature below of our authorized representative and our forwarding of the signed Liability Agreement to CBRE at the address indicated, acknowledges our full acceptance of the terms of this Liability Agreement. The parties agree that the Liability Agreement shall take effect upon its signing and acceptance on behalf of CBRE, and the return of a fully executed version to you.

ACCEPTED:

CBRE, INC.



By: _____

Name: Kyle Redfearn, as Agent for CBRE, Inc.

Title: Senior Managing Director

Date: July 24, 2018

1141 REALTY OWNER LLC AND FLATIRONHOTEL
OPERATIONS LLC (COLLECTIVELY, "THE COMPANY")

By: _____

Name

Title

Date: _____

Addendum

QUALIFICATIONS



CBRE

Edward R. Eschmann, MAI

**Director,
Valuation and Advisory
Hospitality & Gaming Group**

PROFESSIONAL EXPERIENCE

Edward R. Eschmann, MAI is Director in the New York office of the Valuation & Advisory Services Group of CBRE. He has over 34 years of valuation and consulting experience throughout the United States, Puerto Rico and the Americas. Mr. Eschmann is a designated Member of the Appraisal Institute and Royal Institution of Chartered Surveyors and is a Certified General Real Estate Appraiser in the states of New York and New Jersey and has held licenses in other jurisdictions including Connecticut, Vermont, Illinois, Washington DC and Pennsylvania.

Assignments include a wide variety of full and partial interest appraisals on property types including urban and suburban luxury, full and limited service boutique independent and franchised hotels, mixed use residential condominium/hotels, corporate headquarters and conference hotels, suburban and urban office buildings, regional retail malls and outlet centers with hospitality components and residential apartment and condominiums with hospitality components.

In 1995, he has attained the MAI designation of the Appraisal Institute. Since 2006, Mr. Eschmann has specialized in the hospitality asset class and is director of the Tri-State Hospitality Group in New York City covering New York, New Jersey and Connecticut region.

Credentials

PROFESSIONAL AFFILIATIONS AND ACCREDITATIONS

- Appraisal Institute – Designated Member (MAI) since 1995
- Royal Institute of Chartered Surveyors – Designated Member (MRICS)
- Certified General Real Estate Appraiser
 - State of New Jersey, No. 42G001973
 - State of New York, No. 46000002842

Education

- University of Massachusetts, Amherst, Massachusetts,
 - Bachelor of Science; Environmental Science

EDWARD R. ESCHMANN, MAI

**Director
Valuation & Advisory
Hospitality and Gaming**

1 Penn Plaza, Suite 1835

New York, NY 10119

T 212.207.6092

Edward.eschmann@cbre.com



Edward R. Eschmann, MAI

**Director,
Valuation and Advisory,
Hospitality & Gaming Group**

SIGNIFICANT ASSIGNMENTS

Assignments	Locations	Property Types
Plaza / Dream Hotels	New York, NY	Luxury and Boutique Hotel/Retail Repositions
Hudson Yards Development	New York, NY	Office/Hotels/Mixed Use New Development
The Viceroy	New York, NY	Luxury Boutique Hotel
The Surrey	New York, NY	Luxury Boutique Hotel
The Marriott Edition	New York, NY	Marriott Brand - New Luxury Boutique Hotel
Manhattan Times Square	New York, NY	Hotel/Retail/ Signage-Upscale Hotel
The London NYC	New York, NY	Luxury Suite Hotel Reposition
Mondrian SOHO	New York, NY	Luxury Boutique Hotel
Barclays Intercontinental	New York, NY	Luxury Hotel Reposition
Element Times Square	New York, NY	Upscale Suite Hotel
SONY US Headquarters	New York, NY	Office/Hotel Reposition
The New Yorker	New York, NY	Hotel Upscale Reposition, New Development Addition
The Crowne Building, Fifth Ave.	New York, NY	Office/Hotel Ultra Luxury Reposition
EPR Properties	Catskills, NY	Casino/Hotel/Residences
Beekman Tower	New York, NY	Luxury Hotel/Corporate Housing
Innkeepers Hotel Portfolio	Upstate New York, NY	Mid-Scale Hotel Portfolio
Marriott Brands	Various, NY, NJ, CT	Various Franchise Scale Hotels
Eventi by Kimpton	New York, NY	Hotel and Condominium Residences
Choice Hotels	Various, NY, NJ, CT	Mid-Upscale Hotels
Wyndham Brands	Various, NY, NJ, CT	Mid-Upscale Hotels
Bryant Park Hotel	New York, NY	Upper Upscale Boutique Hotel
Citibank Armonk Hotel and Conference Center	Armonk, NY	Corporate Retreat/Conference Center
Historic Tishman Building	Rochester, NY	Office/Hotel Restoration
TMI Group Potfolio	Various locations, IL	Various Franchised Highway Located Assets
Tarrytown House	Tarrytown, NY	Americas First Corporate Conference Center Hotel
Montauk Yacht Club	Montauk, NY	Luxury Hotel and IGY Yacht Club
Jolly Madison/Madison Towers	New York, NY	Mid to Upper Upscale Hotel Reposition
Le-Fouquet's Barriere	New York, NY	Luxury Boutique Hotel
Exclusive Resorts	Papaguyo, Costa Rica	Resort Hotel
Rockefeller Center	New York, NY	Office/ Mixed Use Complex
World Center Hotel/Club Quarters	New York, NY	Upscale Hotel and Corporate Membership Hotel
666 Fifth Ave	New York, NY	Office/Retail - Multi Use
IAC Headquarters	New York, NY	US Corporate Headquarters
Viacom Headquarters	New York, NY	US Corporate Headquarters
RXR Single Asset and Portfolio	NYC/LI, NY	Office Assets and Portfolio
The Castle on the Hudson	Westchester, NY	Luxury Boutique Hotel
The Lowell	New York, NY	Luxury Hotel / Residence
The Edison Times Square	New York, NY	Hotel reposition/expansion

QUALIFICATIONS

EDWARD R. ESCHMANN, MAI **Director, Tri-State Hospitality Group**

CBRE, Inc

Valuation & Advisory Group
1 Penn Plaza, Suite 1835
New York, New York 10119
Tel: (212) 207-6092
Fax: (212) 207-6069
Email: edward.eschmann@cbre.com

EDUCATIONAL

Bachelor of Science Degree, Environmental Science,
University of Massachusetts, Amherst, Massachusetts

Successfully completed all the necessary courses to qualify for the MAI designation.

LICENSES/CERTIFICATIONS

Certified General Real Estate Appraiser: State of New York (NY: 46000002842)
Certified General Real Estate Appraiser: State of New Jersey (NJ: 42RG00197300)

PROFESSIONAL

Designated Member of the Appraisal Institute (MAI) since 1995

EXPERIENCE

2000 – Present:	CBRE, Inc.	New York, NY
1998 – 2000:	Koeppel Tener Real Estate Services, Inc.	New York, NY
1984 – 1998:	Rogers & Taylor Appraisers, Inc.	Hauppauge, NY

Valuation assignments include a wide range of property types: Hotel, Office, Retail, Industrial, Residential, consulting and acquisitions/disposition advisory. Mr. Eschmann has specialized in the hotel asset class for the past decade, notwithstanding retaining his hand in other asset class analysis and appraisal including major Class A office projects and major mixed use hotel/retail and residential condominiums projects throughout New York. The combination of knowledge across the spectrum of asset classes offers our client a specialized knowledge and unique perspective of the real estate industry into the various asset classes under his review. He has spoken at various banking and lending organizations and has been adjunct speaker at City of New York, Baruch College, and for the Appraisal Institute on various occasions.

UNIQUE ID NUMBER
46000002842

State of New York
Department of State

DIVISION OF LICENSING SERVICES

PURSUANT TO THE PROVISIONS OF ARTICLE 6E OF THE
EXECUTIVE LAW AS IT RELATES TO R. E. APPRAISERS.

ESCHMANN EDWARD R
C/O EDWARD ESCHMANN INC
112 E 83RD ST
APT 6A
NEW YORK, NY 10028

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HAS BEEN DULY CERTIFIED TO TRANSACT BUSINESS AS A
R. E. GENERAL APPRAISER

FOR OFFICE USE ONLY

Control
No.

107118

EFFECTIVE DATE

MO DAY YR
04 28 18

EXPIRATION DATE

MO DAY YR
04 27 20

In Witness Whereof, The Department of State has caused
its official seal to be hereunto affixed.

ROSSANA ROSADO
SECRETARY OF STATE